

**EIGHTY-FOURTH GENERAL ASSEMBLY  
2011 REGULAR SESSION  
DAILY  
HOUSE CLIP SHEET**

JUNE 7, 2011

HOUSE FILE 697

H-1734

1 Amend House File 697 as follows:

2 1. Page 457, after line 6 by inserting:

3 <Sec. \_\_\_\_\_. NEW SECTION. 7E.8 Implementation of  
4 federal statute, regulation, or policy.

5 1. Except as otherwise explicitly authorized by  
6 state law, a state administrative agency charged with  
7 the implementation of a federal statute, regulation, or  
8 policy shall not exceed the specific requirements of  
9 that statute, regulation, or policy.

10 2. Any portion of a state administrative agency  
11 rule or policy that is in violation of subsection 1 is  
12 void.>

13 2. Page 457, after line 6 by inserting:

14 <Sec. \_\_\_\_\_. NEW SECTION. 9.8 Employee  
15 classifications.

16 In addition to public employees listed in section  
17 20.4, public employees of the secretary of state who  
18 hold positions that are classified in the information  
19 technology specialist series and administrative  
20 assistant series are excluded from chapter 20.>

21 3. Page 457, after line 6 by inserting:

22 <Sec. \_\_\_\_\_. NEW SECTION. 274.3 Exercise of powers  
23 ---- construction.

24 1. The board of directors of a school district  
25 shall operate, control, and supervise all public  
26 schools located within its district boundaries and may  
27 exercise any broad and implied power related to the  
28 operation, control, and supervision of those public  
29 schools except as expressly prohibited or prescribed by  
30 the Constitution of the State of Iowa or by statute.

31 2. Notwithstanding subsection 1, the board of  
32 directors of a school district shall not have power to  
33 levy any tax unless expressly authorized by the general  
34 assembly.

35 3. This section shall not apply to a research and  
36 development school as defined in section 256G.2 or to  
37 a laboratory school as defined in section 265.1. The  
38 board of directors of a school district in which such a  
39 research and development school or laboratory school  
40 is located shall not exercise over such a school any  
41 powers granted to the board by subsection 1.

42 4. This chapter, chapter 257 and chapters 275  
43 through 301, and other statutes relating to the  
44 boards of directors of school districts and to school  
45 districts shall be liberally construed to effectuate  
46 the purposes of subsection 1.>

47 4. Page 457, after line 12 by inserting:

48 <Sec. \_\_\_\_\_. Section 422.11P, subsection 2, paragraph  
49 b, Code 2011, as enacted by 2011 Iowa Acts, Senate File  
50 531, section 25, is amended to read as follows:



1 b. The tax credit shall apply to biodiesel blended  
2 fuel classified as provided in this section, if the  
3 classification meets the standards provided in section  
4 214A.2. In ensuring that biodiesel blended fuel meets  
5 the classification requirements of this section, the  
6 department shall take into account reasonable variances  
7 due to testing and other limitations.>

8 5. Page 457, after line 12 by inserting:

9 <Sec. \_\_\_\_\_. Section 455A.6, subsection 5, Code 2011,  
10 is amended by striking the subsection and inserting in  
11 lieu thereof the following:

12 5. Six members of the commission is a quorum, and a  
13 majority of the commission membership may act in any  
14 matter within the jurisdiction of the commission.

15 Sec. \_\_\_\_\_. Section 455A.6, subsection 6, paragraph  
16 a, Code 2011, is amended to read as follows:

17 a. Establish policy for the department and adopt  
18 rules, pursuant to chapter 17A, necessary to provide  
19 for the effective administration of chapter 455B, 455C,  
20 or 459. The commission shall have only that authority  
21 or discretion which is explicitly delegated to or  
22 conferred upon the commission by chapter 455B, 455C, or  
23 459, and shall not expand or enlarge on that authority  
24 or discretion.>

25 6. Page 475, before line 24 by inserting:

26 <DIVISION \_\_\_\_  
27 HALLUCINOGENIC SUBSTANCES

28 Sec. \_\_\_\_\_. Section 124.204, subsection 4, Code 2011,  
29 is amended by adding the following new paragraph:

30 NEW PARAGRAPH. ai. (1) Mephedrone, also known as  
31 4-methylmethcathinone, (RS)-2-methylamino-1-(4-methylphenyl)  
32 propan-1-one.

33 (2) Methylene-dioxypyrovalerone(MDPV)[(1-(1,3-  
34 Benzodioxol-5-yl)-2-(1-pyrrolidinyl)-1-pentanone].

35 (3) Salvia divinorum.

36 (4) Salvinorin A.

37 (5) Any substance, compound, mixture or preparation  
38 which contains any quantity of any synthetic  
39 cannabinoid that is not approved as a pharmaceutical,  
40 including but not limited to the following:

41 (a) CP 47, 497 and homologues 2-[(1R, 3S)-3-  
42 hydroxycyclohexyl]-5-(2-methyloctan-2-yl)phenol).

43 (b) HU-210[(6aR,10aR)-9-(hydroxymethyl)-6,6-dimethyl-3-  
44 (2-methyloctan-2-yl)-6a,7,10,10a-tetrahydrobenzo[c]  
45 chromen-1-ol)].

46 (c) HU-211(dexanabinol, (6aS,10aS)-9-(hydroxymethyl)-6,6-  
47 dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,10a-tetrahydrobenzo[c]  
48 chromen-1-ol).

49 (d) JWH-018 1-Pentyl-3-(1-naphthoyl)indole.

50 (e) JWH-073 1-Butyl-3-(1-naphthoyl)indole.

1 (f) JWH-200 [1-[2-(4-morpholinyl)ethyl]-1H-indol-3-yl]-1-  
2 naphthalenyl-methanone.

3 Sec. \_\_\_\_\_. Section 124.401, subsection 1, paragraph  
4 c, subparagraph (8), Code 2011, is amended to read as  
5 follows:

6 (8) Any other controlled substance, counterfeit  
7 substance, or simulated controlled substance classified  
8 in schedule I, II, or III, except as provided in  
9 paragraph "d".

10 Sec. \_\_\_\_\_. Section 124.401, subsection 1, paragraph  
11 d, Code 2011, is amended to read as follows:

12 d. (1) Violation of this subsection, with respect  
13 to any other controlled substances, counterfeit  
14 substances, or simulated controlled substances  
15 classified in schedule IV or V is an aggravated  
16 misdemeanor. ~~However,~~

17 (2) A violation of this subsection involving fifty  
18 any of the following is a class "D" felony:

19 (a) Fifty kilograms or less of marijuana ~~or~~  
20 ~~involving flunitrazepam is a class "D" felony.~~

21 (b) Flunitrazepam.

22 (c) A controlled substance, counterfeit substance,  
23 or simulated controlled substance classified in section  
24 124.204, subsection 4, paragraph "ai".

25 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This division  
26 of this Act, being deemed of immediate importance,  
27 takes effect upon enactment.>

28 7. Page 475, before line 24 by inserting:

29 <DIVISION \_\_\_\_  
30 FIRE EXTINGUISHING AND ALARM SYSTEMS CONTRACTORS AND  
31 INSTALLERS ---- ELECTRICIANS AND ELECTRICAL CONTRACTORS  
32 ---- LICENSING

33 Sec. \_\_\_\_\_. Section 100C.1, subsection 13, Code 2011,  
34 is amended by adding the following new paragraph:

35 NEW PARAGRAPH. c. For a telecommunications  
36 company that has been issued a certificate of public  
37 convenience and necessity pursuant to section 476.29,  
38 a person with whom the telecommunications company  
39 contracts, who is certified by the national institute  
40 for certification in engineering technologies as  
41 required in paragraph "a" or "b" or who meets any other  
42 criteria established by rule.

43 Sec. \_\_\_\_\_. Section 100C.2, subsection 3, Code 2011,  
44 is amended by adding the following new paragraph:

45 NEW PARAGRAPH. d. This subsection shall not  
46 apply to a responsible managing employee with whom a  
47 telecommunications company contracts as provided in  
48 section 100C.1, subsection 13, paragraph "c".

49 Sec. \_\_\_\_\_. NEW SECTION. 103.1A Term "commercial"  
50 applied.



1 As used in this chapter:

2 1. "Commercial" refers to a use, installation,  
3 structure, or premises associated with a place of  
4 business where goods, wares, services, or merchandise  
5 is stored or offered for sale on a wholesale or retail  
6 basis.

7 2. "Commercial" refers to a residence only if  
8 the residence is also used as a place of business as  
9 provided in subsection 1.

10 3. "Commercial" does not refer to a use,  
11 installation, structure, or premises associated with  
12 any of the following:

13 a. A farm.

14 b. An industrial installation.

15 Sec. \_\_\_\_\_. Section 103.22, subsection 7, Code 2011,  
16 is amended to read as follows:

17 7. Prohibit an owner of property from performing  
18 work on the owner's principal residence, if such  
19 residence is an existing dwelling rather than new  
20 construction and is not an apartment that is attached  
21 to any other apartment or building, as those terms are  
22 defined in section 499B.2, and is not larger than a  
23 single-family dwelling, ~~or farm property, excluding~~  
24 ~~commercial or industrial installations or installations~~  
25 ~~in public use buildings or facilities,~~ or require  
26 such owner to be licensed under this chapter. In  
27 order to qualify for inapplicability pursuant to this  
28 subsection, a residence shall qualify for the homestead  
29 tax exemption.

30 Sec. \_\_\_\_\_. Section 103.22, Code 2011, is amended by  
31 adding the following new subsection:

32 NEW SUBSECTION. 15. Apply to a person performing  
33 any installation on a farm, if the person is associated  
34 with the farm as a holder of a legal or equitable  
35 interest, a relative or employee of the holder, or  
36 an operator or manager of the farm. The provisions  
37 of this chapter do not require such person to be  
38 licensed. In addition, a permit is not required for an  
39 installation on a farm, and an installation on a farm  
40 is not required to be inspected. In order for a farm  
41 building to qualify under this subsection, the farm  
42 building must not be regularly open to the public as a  
43 place of business for the retail sale of goods, wares,  
44 services, or merchandise.>

45 8. Page 475, before line 24 by inserting:

46 <DIVISION \_\_\_\_  
47 CLASS "A" FELONIES ---- JUVENILES

48 Sec. \_\_\_\_\_. Section 232.8, subsection 3, paragraph a,  
49 Code 2011, is amended to read as follows:

50 a. The juvenile court, after a hearing and in



1 accordance with the provisions of section 232.45, may  
2 waive jurisdiction of a child alleged to have committed  
3 a public offense so that the child may be prosecuted  
4 as an adult or youthful offender for such offense in  
5 another court. If the child, ~~except a child being~~  
6 ~~prosecuted as a youthful offender,~~ pleads guilty or is  
7 found guilty of a public offense other than a class "A"  
8 felony in another court of this state, that court may  
9 suspend the sentence or, with the consent of the child,  
10 defer judgment and without regard to restrictions  
11 placed upon deferred judgments for adults, place the  
12 child on probation for a period of not less than one  
13 year upon such conditions as it may require. Upon  
14 fulfillment of the conditions of probation, a child  
15 who receives a deferred judgment shall be discharged  
16 without entry of judgment. A child prosecuted as  
17 a youthful offender shall be sentenced pursuant to  
18 section 907.3A.

19 Sec. \_\_\_\_\_. Section 232.50, subsection 1, Code 2011,  
20 is amended to read as follows:

21 1. As soon as practicable following the entry  
22 of an order of adjudication pursuant to section  
23 232.47 or notification that the child has ~~received a~~  
24 ~~youthful offender deferred sentence~~ been placed on  
25 youthful offender status pursuant to section 907.3A,  
26 the court shall hold a dispositional hearing in order  
27 to determine what disposition should be made of the  
28 matter.

29 Sec. \_\_\_\_\_. Section 232.52, subsection 1, Code 2011,  
30 is amended to read as follows:

31 1. Pursuant to a hearing as provided in section  
32 232.50, the court shall enter the least restrictive  
33 dispositional order appropriate in view of the  
34 seriousness of the delinquent act, the child's  
35 culpability as indicated by the circumstances of  
36 the particular case, the age of the child, the  
37 child's prior record, or the fact that the child has  
38 ~~received a youthful offender deferred sentence~~ been  
39 placed on youthful offender status under section  
40 907.3A. The order shall specify the duration and  
41 the nature of the disposition, including the type of  
42 residence or confinement ordered and the individual,  
43 agency, department, or facility in whom custody is  
44 vested. In the case of a child who has ~~received a~~  
45 ~~youthful offender deferred sentence~~ been placed on  
46 youthful offender status, the initial duration of the  
47 dispositional order shall be until the child reaches  
48 the age of eighteen.

49 Sec. \_\_\_\_\_. Section 232.54, subsection 1, paragraph  
50 g, Code 2011, is amended to read as follows:



1 g. With respect to a juvenile court dispositional  
2 order entered regarding a child who has ~~received a~~  
3 ~~youthful offender deferred sentence~~ been placed on  
4 youthful offender status under section 907.3A, the  
5 dispositional order may be terminated prior to the  
6 child reaching the age of eighteen upon motion of the  
7 child, the person or agency to whom custody of the  
8 child has been transferred, or the county attorney  
9 following a hearing before the juvenile court if it is  
10 shown by clear and convincing evidence that it is in  
11 the best interests of the child and the community to  
12 terminate the order. The hearing may be waived if all  
13 parties to the proceeding agree. The dispositional  
14 order regarding a child who has ~~received a youthful~~  
15 ~~offender deferred sentence~~ been placed on youthful  
16 offender status may also be terminated prior to the  
17 child reaching the age of eighteen upon motion of the  
18 county attorney, if the waiver of the child to district  
19 court was conditioned upon the terms of an agreement  
20 between the county attorney and the child, and the  
21 child violates the terms of the agreement after the  
22 waiver order has been entered. The district court  
23 shall discharge the child's youthful offender status  
24 upon receiving a termination order under this section.

25 Sec. \_\_\_\_\_. Section 232.54, subsection 1, paragraph  
26 h, unnumbered paragraph 1, Code 2011, is amended to  
27 read as follows:

28 With respect to a dispositional order entered  
29 regarding a child who has ~~received a youthful offender~~  
30 ~~deferred sentence~~ been placed on youthful offender  
31 status under section 907.3A, the juvenile court may,  
32 in the case of a child who violates the terms of the  
33 order, modify or terminate the order in accordance with  
34 the following:

35 Sec. \_\_\_\_\_. Section 232.55, subsection 3, Code 2011,  
36 is amended to read as follows:

37 3. This section does not apply to dispositional  
38 orders entered regarding a child who has ~~received a~~  
39 ~~youthful offender deferred sentence~~ been placed on  
40 youthful offender status under section 907.3A who  
41 is not discharged from probation before or upon the  
42 child's eighteenth birthday.

43 Sec. \_\_\_\_\_. Section 232.56, Code 2011, is amended to  
44 read as follows:

45 232.56 Youthful offenders ---- transfer to district  
46 court supervision.

47 The juvenile court shall deliver a report, which  
48 includes an assessment of the child by a juvenile court  
49 officer after consulting with the judicial district  
50 department of correctional services, to the district



1 court prior to the eighteenth birthday of a child who  
2 has ~~received a youthful offender deferred sentence~~  
3 been placed on youthful offender status under section  
4 907.3A. A hearing shall be held in the district court  
5 in accordance with section 907.3A to determine whether  
6 the child should be discharged from youthful offender  
7 status or whether the child shall continue under the  
8 supervision of the district court after the child's  
9 eighteenth birthday.

10 Sec. \_\_\_\_\_. Section 654.4B, subsection 2, paragraph  
11 b, Code 2011, is amended to read as follows:

12 b. This subsection is repealed July 1, ~~2011~~ 2012.

13 Sec. \_\_\_\_\_. Section 902.1, Code 2011, is amended to  
14 read as follows:

15 902.1 Class "A" felony.

16 1. Upon a plea of guilty, a verdict of guilty, or  
17 a special verdict upon which a judgment of conviction  
18 of a class "A" felony may be rendered, the court shall  
19 enter a judgment of conviction and shall commit the  
20 defendant into the custody of the director of the  
21 Iowa department of corrections for the rest of the  
22 defendant's life. Nothing in the Iowa corrections code  
23 pertaining to deferred judgment, deferred sentence,  
24 suspended sentence, or reconsideration of sentence  
25 applies to a class "A" felony, and a person convicted  
26 of a class "A" felony shall not be released on parole  
27 unless the governor commutes the sentence to a term of  
28 years.

29 2. a. Notwithstanding subsection 1, a person  
30 convicted of a class "A" felony, and who was under the  
31 age of eighteen at the time the offense was committed  
32 shall be eligible for parole after serving a minimum  
33 term of confinement of twenty-five years.

34 b. If a person is paroled pursuant to this  
35 subsection the person shall be subject to the same set  
36 of procedures set out in chapters 901B, 905, 906, and  
37 chapter 908, and rules adopted under those chapters for  
38 persons on parole.

39 c. A person convicted of murder in the first degree  
40 in violation of section 707.2 shall not be eligible for  
41 parole pursuant to this subsection.

42 d. A person convicted of murder in the second  
43 degree in violation of section 707.3 and who was also  
44 convicted of either kidnapping in the first degree  
45 in violation of section 710.2 or sexual abuse in the  
46 first degree in violation of section 709.2, which  
47 conviction arose out of the same set of facts as the  
48 murder-in-the-second-degree conviction, shall not be  
49 eligible for parole pursuant to this subsection.

50 Sec. \_\_\_\_\_. Section 907.3A, Code 2011, is amended to



1 read as follows:

2 907.3A Youthful offender deferred sentence ----  
3 youthful offender status.

4 1. Notwithstanding section 907.3 but subject to any  
5 conditions of the waiver order, the trial court shall,  
6 upon a plea of guilty or a verdict of guilty, ~~defer~~  
7 ~~sentence of a youthful offender~~ place the juvenile  
8 over whom the juvenile court has waived jurisdiction  
9 pursuant to section 232.45, subsection 7, and place  
10 the juvenile on youthful offender status. The court  
11 shall transfer supervision of the youthful offender to  
12 the juvenile court for disposition in accordance with  
13 section 232.52. An adjudication of delinquency entered  
14 by the juvenile court for a public offense shall not  
15 be deemed a conviction and shall not preclude the  
16 subsequent entry of a deferred judgment, conviction,  
17 or sentence by the district court. The court shall  
18 require supervision of the youthful offender in  
19 accordance with section 232.54, subsection 1, paragraph  
20 "h", or subsection 2 of this section. Notwithstanding  
21 ~~section 901.2, a presentence investigation shall not be~~  
22 ~~ordered by the court subsequent to an entry of a plea~~  
23 ~~of guilty or verdict of guilty or prior to deferral of~~  
24 ~~sentence of a youthful offender under this section.~~

25 2. The court shall hold a hearing prior to a  
26 youthful offender's eighteenth birthday to determine  
27 whether the youthful offender shall continue on  
28 youthful offender status after the youthful offender's  
29 eighteenth birthday ~~under the supervision of the~~  
30 ~~court or be discharged. Notwithstanding section~~  
31 901.2, the court may order a presentence investigation  
32 report including a report for an offense classified  
33 as a class "A" felony. The court shall review the  
34 report of the juvenile court regarding the youthful  
35 offender and prepared pursuant to section 232.56,  
36 and any presentence investigation report, if ordered  
37 by the court. The court shall hear evidence by or  
38 on behalf of the youthful offender, by the county  
39 attorney, and by the person or agency to whom custody  
40 of the youthful offender was transferred. The court  
41 shall make its decision, pursuant to the sentencing  
42 options available in subsection 3, after considering  
43 the services available to the youthful offender, the  
44 evidence presented, the juvenile court's report, the  
45 presentence investigation report if ordered by the  
46 court, the interests of the youthful offender, and  
47 interests of the community.

48 3. a. Notwithstanding any provision of the Code  
49 which prescribes a mandatory minimum sentence for the  
50 offense committed by the youthful offender, following



1 transfer of the youthful offender from the juvenile  
2 court back to the court having jurisdiction over the  
3 criminal proceedings involving the youthful offender,  
4 the court ~~may continue the youthful offender deferred~~  
5 ~~sentence or enter a sentence, which may be a suspended~~  
6 ~~sentence.~~ shall order one of the following sentencing  
7 options:

8 (1) Defer judgment and place the youthful offender  
9 on probation, upon the consent of the youthful  
10 offender.

11 (2) Defer the sentence and place the youthful  
12 offender on probation upon such terms and conditions  
13 as the court may require.

14 (3) Suspend the sentence and place the youthful  
15 offender on probation upon such terms and conditions  
16 as the court may require.

17 (4) A term of confinement.

18 (5) Discharge the youthful offender from youthful  
19 offender status and terminate the sentence.

20 b. Notwithstanding anything in section 907.7 to  
21 the contrary, if the district court ~~either grants~~  
22 the youthful offender a deferred judgment, continues  
23 the youthful offender deferred sentence, or enters a  
24 sentence, and suspends the sentence, and places the  
25 youthful offender on probation, the term of formal  
26 supervision shall commence upon entry of the order by  
27 the district court and may continue for a period not  
28 to exceed five years. If the district court enters a  
29 sentence of confinement, and the youthful offender was  
30 previously placed in secure confinement by the juvenile  
31 court under the terms of the initial disposition order  
32 or any modification to the initial disposition order,  
33 the person shall receive credit for any time spent in  
34 secure confinement. During any period of probation  
35 imposed by the district court, a youthful offender who  
36 violates the terms of probation is subject to section  
37 908.11.

38 Sec. \_\_\_\_\_. Section 907.9, subsection 4, Code 2011,  
39 is amended to read as follows:

40 4. At the expiration of the period of probation  
41 if the fees imposed under section 905.14 and court  
42 debt collected pursuant to section 602.8107 have been  
43 paid, the court shall order the discharge of the person  
44 from probation. If portions of the court debt remain  
45 unpaid, the person shall establish a payment plan with  
46 the clerk of the district court or the county attorney  
47 prior to the discharge. The court shall forward to the  
48 governor a recommendation for or against restoration  
49 of citizenship rights to that person upon discharge.  
50 A person who has been discharged from probation shall



1 no longer be held to answer for the person's offense.  
2 Upon discharge from probation, if judgment has been  
3 deferred under section 907.3, the court's criminal  
4 record with reference to the deferred judgment and any  
5 counts dismissed by the court, which were contained in  
6 the indictment, information, or complaint that resulted  
7 in the deferred judgement, shall be expunged. The  
8 record maintained by the state court administrator  
9 as required by section 907.4 shall not be expunged.  
10 The court's record shall not be expunged in any other  
11 circumstances.

12 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. The section  
13 of this division of this Act amending section 654.4B,  
14 being deemed of immediate importance, takes effect upon  
15 enactment.>

16 9. Page 475, before line 24 by inserting:

17 <DIVISION \_\_\_\_  
18 STATE EXPENDITURE REQUIREMENTS ---- REVENUE ESTIMATING  
19 CONFERENCE ---- APPROPRIATION TRANSFERS

20 Sec. \_\_\_\_\_. Section 8.22A, subsection 2, Code 2011,  
21 is amended to read as follows:

22 2. The conference shall meet as often as deemed  
23 necessary, but shall meet at least ~~quarterly~~ three  
24 times per year. The conference may use sources of  
25 information deemed appropriate. At each meeting,  
26 the conference shall agree to estimates for the  
27 current and the following fiscal years for the general  
28 fund of the state, lottery revenues to be available  
29 for disbursement, and from gambling revenues and  
30 from interest earned on the cash reserve fund and  
31 the economic emergency fund to be deposited in the  
32 rebuild Iowa infrastructure fund. An estimate for the  
33 following fiscal year, other than an estimate agreed to  
34 pursuant to subsection 3, 4, or 5, shall be considered  
35 a preliminary estimate.

36 Sec. \_\_\_\_\_. Section 8.39, subsections 1 and 2, Code  
37 2011, are amended to read as follows:

38 1. Except as otherwise provided by law, an  
39 appropriation or any part of it shall not be used  
40 for any other purpose than that for which it was  
41 made. However, with the prior written consent and  
42 approval of the governor and the director of the  
43 department of management, the governing board or head  
44 of any state department, institution, or agency may,  
45 at any time during the fiscal year, make a whole or  
46 partial intradepartmental transfer of its unexpended  
47 appropriations for purposes within the scope of such  
48 department, institution, or agency. Such transfer  
49 shall be to an appropriation made from the same  
50 funding source and within the same fiscal year. The



1 amount of a transfer made from an appropriation under  
2 this subsection shall be limited to not more than  
3 one-twentieth of one percent of the total of all  
4 appropriations made from the funding source of the  
5 transferred appropriation for the fiscal year in which  
6 the transfer is made.

7 2. If the appropriation of a department,  
8 institution, or agency is insufficient to properly meet  
9 the legitimate expenses of the department, institution,  
10 or agency, the director, with the approval of the  
11 governor, may make an interdepartmental transfer from  
12 any other department, institution, or agency of the  
13 state having an appropriation in excess of its needs,  
14 of sufficient funds to meet that deficiency. Such  
15 transfer shall be to an appropriation made from the  
16 same funding source and within the same fiscal year.  
17 The amount of a transfer made from an appropriation  
18 under this subsection shall be limited to not more  
19 than one-twentieth of one percent of the total of all  
20 appropriations made from the funding source of the  
21 transferred appropriation for the fiscal year in which  
22 the transfer is made. An interdepartmental transfer  
23 to an appropriation which is not an entitlement  
24 appropriation is not authorized when the general  
25 assembly is in regular session and, in addition,  
26 the sum of interdepartmental transfers in a fiscal  
27 year to an appropriation which is not an entitlement  
28 appropriation shall not exceed fifty percent of the  
29 amount of the appropriation as enacted by the general  
30 assembly. For the purposes of this subsection, an  
31 entitlement appropriation is a line item appropriation  
32 to the state public defender for indigent defense or to  
33 the department of human services for foster care, state  
34 supplementary assistance, or medical assistance, or for  
35 the family investment program.

36 Sec. \_\_\_\_\_. Section 8.39, Code 2011, is amended by  
37 adding the following new subsection:

38 NEW SUBSECTION. 2A. The aggregate amount of  
39 intradepartmental and interdepartmental transfers  
40 made from all appropriations for a fiscal year  
41 pursuant to this section is limited to not more than  
42 one-fourth of one percent of the total amount of the  
43 appropriations made from the general fund of the state  
44 for the fiscal year. The aggregate amount of the  
45 intradepartmental and interdepartmental transfers made  
46 from an appropriation for a fiscal year is limited to  
47 fifty percent of the appropriation.

48 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This division  
49 of this Act, being deemed of immediate importance,  
50 takes effect upon enactment.>



1 10. Page 475 before line 24 by inserting:

2 <DIVISION \_\_\_\_  
3 SCHOOL DRESS CODES

4 Sec. \_\_\_\_\_. Section 279.58, subsection 1, Code 2011,  
5 is amended by striking the subsection.

6 Sec. \_\_\_\_\_. Section 279.58, subsection 2, Code 2011,  
7 is amended to read as follows:

8 2. The board of directors of a school district may  
9 adopt, for the district or for an individual school  
10 within the district, a dress code policy that ~~prohibits~~  
11 ~~students from wearing gang related or other specific~~  
12 apparel prescribes standard dress, or that otherwise  
13 imposes limitations on student dress without limiting  
14 a student's constitutional rights and privileges,  
15 ~~if the board determines that the policy is necessary~~  
16 ~~for~~ would improve the health, safety, or positive  
17 educational environment of students and staff in the  
18 school environment or for the appropriate discipline  
19 and operation of the school.

20 3. Adoption and enforcement of a dress code policy  
21 pursuant to this section is not a violation of section  
22 280.22.

23 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This division  
24 of this Act, being deemed of immediate importance,  
25 takes effect upon enactment.>

26 11. Page 475, before line 24 by inserting:

27 <DIVISION \_\_\_\_  
28 DAYS OF INSTRUCTION

29 Sec. \_\_\_\_\_. Section 256.7, subsection 19, Code 2011,  
30 is amended to read as follows:

31 19. Define ~~the minimum school day as a day~~  
32 ~~consisting of five and one half hours of instructional~~  
33 ~~time for grades one through twelve. The minimum~~  
34 hours as time spent with a licensed teacher that shall  
35 be exclusive of the lunch period and parent-teacher  
36 conferences, but may include passing time between  
37 classes. Time spent on parent teacher conferences  
38 ~~shall be considered instructional time. A school or~~  
39 ~~school district may record a day of school with less~~  
40 ~~than the minimum instructional hours as a minimum~~  
41 ~~school day if any of the following apply:~~

42 a. ~~If emergency health or safety factors require~~  
43 ~~the late arrival or early dismissal of students on a~~  
44 ~~specific day.~~

45 b. ~~If the total hours of instructional school~~  
46 ~~time for grades one through twelve for any five~~  
47 ~~consecutive school days equal a minimum of twenty seven~~  
48 ~~and one half hours, even though any one day of~~  
49 ~~school is less than the minimum instructional hours~~  
50 ~~because of a staff development opportunity provided~~



~~1 for the professional instructional staff or because  
2 parent teacher conferences have been scheduled  
3 beyond the regular school day. Furthermore, if the  
4 total hours of instructional time for the first four  
5 consecutive days equal at least twenty seven and  
6 one half hours because parent teacher conferences  
7 have been scheduled beyond the regular school day, a  
8 school or school district may record zero hours of  
9 instructional time on the fifth consecutive school day  
10 as a minimum school day.~~

11 Sec. \_\_\_\_\_. Section 256F.4, subsection 5, Code 2011,  
12 is amended to read as follows:

13 5. A charter school or innovation zone school shall  
14 provide instruction for at least the number of ~~days~~  
15 hours required by section 279.10, subsection 1, ~~or~~  
16 ~~shall provide at least the equivalent number of total~~  
17 ~~hours.~~

18 Sec. \_\_\_\_\_. Section 279.10, subsection 1, Code 2011,  
19 is amended to read as follows:

20 1. The school year for each school district and  
21 accredited nonpublic school shall begin on the first  
22 day of July 1 and each regularly established elementary  
23 and secondary school shall begin no sooner than a day  
24 during the calendar week in which the first day of  
25 September falls but no later than the first Monday  
26 in December. However, if the first day of September  
27 falls on a Sunday, school may begin on a day during the  
28 calendar week which immediately precedes the first day  
29 of September. ~~School shall continue for at least one~~  
30 hundred eighty days, except as provided in subsection  
31 3, and may be maintained The school calendar shall  
32 include not less than one thousand eighty hours of  
33 instruction during the entire calendar year. However,  
34 if The board of directors of a school district and the  
35 authorities in charge of an accredited nonpublic school  
36 shall set the number of days of required attendance  
37 for the school year as provided in section 299.1,  
38 subsection 2, but the board of directors of a school  
39 district shall hold a public hearing on any proposed  
40 school calendar prior to adopting the school calendar.  
41 If the board of directors of a district or the  
42 authorities in charge of an accredited nonpublic school  
43 extends the school calendar because inclement weather  
44 caused the school district or accredited nonpublic  
45 school to temporarily close ~~school~~ during the regular  
46 school calendar, the school district or accredited  
47 nonpublic school may excuse a graduating senior who  
48 has met district or school requirements for graduation  
49 from attendance during the extended school calendar. A  
50 school corporation may begin employment of personnel



1 for in-service training and development purposes before  
2 the date to begin elementary and secondary school.

3 Sec. \_\_\_\_\_. Section 279.10, subsections 2 and 3, Code  
4 2011, are amended by striking the subsections.

5 Sec. \_\_\_\_\_. Section 299.4, subsection 1, Code 2011,  
6 is amended to read as follows:

7 1. The parent, guardian, or legal custodian of a  
8 child who is of compulsory attendance age, who places  
9 the child under competent private instruction under  
10 either section 299A.2 or 299A.3, not in an accredited  
11 school or a home school assistance program operated  
12 by a school district or accredited nonpublic school,  
13 shall furnish a report in duplicate on forms provided  
14 by the public school district, to the district by ~~the~~  
15 ~~earliest starting date specified in section 279.10,~~  
16 ~~subsection 1~~ September 1 of the school year in which  
17 the child will be under competent private instruction.

18 The secretary shall retain and file one copy and  
19 forward the other copy to the district's area education  
20 agency. The report shall state the name and age of the  
21 child, the period of time during which the child has  
22 been or will be under competent private instruction  
23 for the year, an outline of the course of study, texts  
24 used, and the name and address of the instructor. The  
25 parent, guardian, or legal custodian of a child, who is  
26 placing the child under competent private instruction  
27 for the first time, shall also provide the district  
28 with evidence that the child has had the immunizations  
29 required under section 139A.8, and, if the child is  
30 elementary school age, a blood lead test in accordance  
31 with section 135.105D. The term "outline of course of  
32 study" shall include subjects covered, lesson plans,  
33 and time spent on the areas of study.

34 Sec. \_\_\_\_\_. REPEAL. Section 256.22, Code 2011, is  
35 repealed.

36 Sec. \_\_\_\_\_. EFFECTIVE DATE. This division of this  
37 Act takes effect July 1, 2012.>

38 12. Page 475, before line 24 by inserting:

39 <DIVISION \_\_\_\_  
40 PRISON INDUSTRIES

41 Sec. \_\_\_\_\_. Section 904.805, Code 2011, is amended by  
42 adding the following new subsection:

43 NEW SUBSECTION. 7. a. Report semiannually to the  
44 general assembly's standing committees on government  
45 oversight regarding the operations of Iowa state  
46 industries.

47 b. Report quarterly and annually to the industries  
48 board, the governor, the auditor of state, and the  
49 general assembly a full and complete statement of  
50 Iowa state industries revenues and expenses for the



1 preceding quarter, and with respect to the annual  
2 report, for the preceding year.

3 Sec. \_\_\_\_\_. Section 904.813, Code 2011, is amended by  
4 adding the following new subsection:

5 NEW SUBSECTION. 3A. A capital expenditure in  
6 an amount exceeding two hundred fifty thousand  
7 dollars shall not be made from the Iowa state  
8 industries revolving fund without authorization by a  
9 constitutional majority of each house of the general  
10 assembly, or approval by the legislative council if the  
11 general assembly is not in session.

12 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This division  
13 of this Act, being deemed of immediate importance,  
14 takes effect upon enactment.>

15 13. Page 475, before line 24 by inserting:

16 <DIVISION \_\_\_\_  
17 MEDICATION THERAPY MANAGEMENT

18 Sec. \_\_\_\_\_. NEW SECTION. 8A.440 Medication therapy  
19 management.

20 1. As used in this section, unless the context  
21 otherwise requires:

22 a. "Eligible employee" means an employee of the  
23 state, with the exception of an employee of the state  
24 board of regents or institutions under the state board  
25 of regents, for whom group health plans are established  
26 pursuant to chapter 509A providing for third-party  
27 payment or prepayment for health or medical expenses.

28 b. "Medication therapy management" means a  
29 systematic process performed by a licensed pharmacist,  
30 designed to optimize therapeutic outcomes through  
31 improved medication use and reduced risk of adverse  
32 drug events, including all of the following services:

33 (1) A medication therapy review and in-person  
34 consultation relating to all medications, vitamins, and  
35 herbal supplements currently being taken by an eligible  
36 individual.

37 (2) A medication action plan, subject to the  
38 limitations specified in this section, communicated  
39 to the individual and the individual's primary care  
40 physician or other appropriate prescriber to address  
41 safety issues, inconsistencies, duplicative therapy,  
42 omissions, and medication costs. The medication action  
43 plan may include recommendations to the prescriber for  
44 changes in drug therapy.

45 (3) Documentation and follow-up to ensure  
46 consistent levels of pharmacy services and positive  
47 outcomes.

48 2. a. The department shall amend the contract  
49 for the provision of medication therapy management  
50 services as initially required pursuant to 2010 Iowa



1 Acts, chapter 1193, section 166, to provide for the  
2 continuation of medication therapy management services  
3 for eligible employees who meet any of the following  
4 criteria:

5 (1) An individual who takes four or more  
6 prescription drugs to treat or prevent two or more  
7 chronic medical conditions.

8 (2) An individual with a prescription drug therapy  
9 problem who is identified by the prescribing physician  
10 or other appropriate prescriber, and referred to a  
11 pharmacist for medication therapy management services.

12 (3) An individual who meets other criteria  
13 established by the third-party payment provider  
14 contract, policy, or plan.

15 b. The contract shall require the entity to provide  
16 annual reports to the general assembly detailing the  
17 costs, savings, estimated cost avoidance and return  
18 on investment, and patient outcomes related to the  
19 medication therapy management services provided. The  
20 entity shall guarantee demonstrated annual savings,  
21 including any savings associated with cost avoidance at  
22 least equal to the program's costs with any shortfall  
23 amount refunded to the state. The contract shall  
24 include terms, conditions, and applicable measurement  
25 standards associated with the demonstration of savings.  
26 The department shall verify the demonstrated savings  
27 reported by the entity was achieved in accordance with  
28 the agreed upon measurement standards. The entity  
29 shall be prohibited from using the entity's employees  
30 to provide the medication therapy management services  
31 and shall instead be required to contract with licensed  
32 pharmacies, pharmacists, or physicians.

33 c. The fees for pharmacist-delivered medication  
34 therapy management services shall be separate from  
35 the reimbursement for prescription drug product or  
36 dispensing services; shall be determined by each  
37 third-party payment provider contract, policy, or plan;  
38 and must be reasonable based on the resources and time  
39 required to provide the service.

40 d. A fee shall be established for physician  
41 reimbursement for services delivered for medication  
42 therapy management as determined by each third-party  
43 payment provider contract, policy, or plan, and must be  
44 reasonable based on the resources and time required to  
45 provide the service.

46 e. If any part of the medication therapy management  
47 plan developed by a pharmacist incorporates services  
48 which are outside the pharmacist's independent scope  
49 of practice including the initiation of therapy,  
50 modification of dosages, therapeutic interchange, or



1 changes in drug therapy, the express authorization  
2 of the individual's physician or other appropriate  
3 prescriber is required.

4 f. The department shall utilize the services of the  
5 college of pharmacy at a state university to validate  
6 reported drug cost savings.

7 g. The results of the pilot program established  
8 pursuant to 2010 Iowa Acts, chapter 1193, section 166,  
9 for the period beginning July 1, 2010, and ending  
10 December 31, 2011, shall be submitted to the general  
11 assembly no later than March 1, 2012.

12 Sec. \_\_\_\_\_. APPROPRIATION ---- DEPARTMENT OF  
13 ADMINISTRATIVE SERVICES. There is appropriated from  
14 the fees collected by the board of pharmacy pursuant  
15 to chapter 155A and retained by the board of pharmacy  
16 pursuant to the authority granted in section 147.82  
17 to the department of administrative services for the  
18 fiscal year beginning July 1, 2011, and ending June 30,  
19 2012, the following amount or so much thereof as is  
20 necessary, to be used for the purpose specified:

21 For the medication therapy management program as  
22 enacted in this Act:  
23 ..... \$ 510,000

24 Sec. \_\_\_\_\_. REPEAL. 2010 Iowa Acts, chapter 1193,  
25 section 166, is repealed.

26 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This division  
27 of this Act, being deemed of immediate importance,  
28 takes effect upon enactment.>

29 14. Page 475, before line 24 by inserting:

30 <DIVISION \_\_\_\_  
31 NOTICE OF MORTGAGE MEDIATION ASSISTANCE ---- SUNSET

32 Sec. \_\_\_\_\_. Section 654.4B, subsection 2, paragraph  
33 b, Code 2011, is amended to read as follows:

34 b. This subsection is repealed July 1, ~~2011~~ 2012.

35 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT AND RETROACTIVE  
36 APPLICABILITY. This division of this Act, being deemed  
37 of immediate importance, takes effect upon enactment  
38 and, if approved by the governor on or after July 1,  
39 2011, shall apply retroactively to June 30, 2011.>

40 15. Page 475, before line 24 by inserting:

41 <DIVISION \_\_\_\_  
42 HOUSING DEVELOPMENT ---- TAX STATUS

43 Sec. \_\_\_\_\_. Section 405.1, Code 2011, is amended to  
44 read as follows:

45 405.1 Housing development ---- tax status ----  
46 limitation.

47 ~~1-~~ The board of supervisors of a county ~~with a~~  
48 ~~population of less than twenty thousand~~ may adopt  
49 an ordinance providing that property acquired and  
50 subdivided for development of housing shall continue



1 to be assessed for taxation in the manner that it was  
2 prior to the acquisition for housing. Each lot shall  
3 continue to be taxed in the manner it was prior to  
4 its acquisition for housing until the lot is sold for  
5 construction or occupancy of housing or five years from  
6 the date of subdivision, whichever is shorter. Upon  
7 the sale or the expiration of the ~~five-year~~ ten-year  
8 period, the property shall be assessed for taxation  
9 as residential or commercial multifamily property,  
10 whichever is applicable.

11 ~~2. The board of supervisors of a county with  
12 a population of twenty thousand or more may adopt  
13 an ordinance providing that property acquired and  
14 subdivided for development of housing shall continue  
15 to be assessed for taxation in the manner that it was  
16 prior to the acquisition for housing. Each lot shall  
17 continue to be taxed in the manner it was prior to  
18 its acquisition for housing until the lot is sold for  
19 construction or occupancy of housing or three years  
20 from the date of subdivision, whichever is shorter.  
21 Upon the sale or the expiration of the three-year  
22 period, the property shall be assessed for taxation  
23 as residential or commercial multifamily property,  
24 whichever is applicable.~~

25 Sec. \_\_\_\_ Section 441.72, Code 2011, is amended to  
26 read as follows:

27 441.72 Assessment of platted lots.

28 When a subdivision plat is recorded pursuant to  
29 chapter 354, the individual lots within the subdivision  
30 plat shall not be assessed in excess of the total  
31 assessment of the land as acreage or unimproved  
32 property for ~~three~~ ten years after the recording of  
33 the plat or until the lot is actually improved with  
34 permanent construction, whichever occurs first. When  
35 an individual lot has been improved with permanent  
36 construction, the lot shall be assessed for taxation  
37 purposes as provided in chapter 428 and this chapter.  
38 This section does not apply to special assessment  
39 levies.

40 Sec. \_\_\_\_ EFFECTIVE UPON ENACTMENT AND RETROACTIVE  
41 APPLICABILITY. This division of this Act, being deemed  
42 of immediate importance, takes effect upon enactment  
43 and applies retroactively to assessment years beginning  
44 on or after January 1, 2011. The division applies  
45 to subdivision plats recorded on or after January 1,  
46 2004.>

47 16. Page 475, before line 24 by inserting:

48 <DIVISION \_\_\_\_  
49 MENTAL HEALTH AND DISABILITY SERVICES REDESIGN  
50 SERVICE SYSTEM REDESIGN



1 Sec. \_\_\_\_ ADULT DISABILITY SERVICES SYSTEM  
2 REDESIGN.

3 1. For the purposes of this section, "disability  
4 services" means services and other support available  
5 to a person with mental illness or an intellectual  
6 disability or other developmental disability.

7 2. It is the intent of the general assembly to  
8 redesign the system for adult disability services to  
9 implement all of the following:

10 a. Shifting the funding responsibility for the  
11 nonfederal share of adult disability services paid for  
12 by the Medicaid program, including but not limited to  
13 all costs for the state resource centers, from the  
14 counties to the state.

15 b. Reorganizing adult disability services not paid  
16 for by the Medicaid program into a system administered  
17 on a regional basis in a manner that provides multiple  
18 local points of access to adult disability services  
19 both paid for by the Medicaid program and not paid for  
20 by the Medicaid program.

21 c. Replacing legal settlement as the basis for  
22 determining financial responsibility for publicly  
23 funded disability services by determining such  
24 responsibility based upon residency.

25 3. a. The legislative council is requested to  
26 authorize an interim committee on mental health and  
27 disability services for the 2011 legislative interim to  
28 commence as soon as practicable. The purpose of the  
29 interim committee is to closely engage with, monitor,  
30 and make recommendations concerning the efforts of  
31 the department of human services and workgroups of  
32 stakeholders and experts created by the department  
33 to develop detailed proposals for the redesign of  
34 disability services pursuant to this Act, particularly  
35 with regard to the identification of core services.

36 b. (1) It is intended that the interim committee  
37 members consist of equal numbers of legislators from  
38 both chambers and from both political parties and  
39 for staff from the office of the governor and the  
40 departments of human services and public health to be  
41 designated to serve as ex officio, nonvoting members.  
42 It is also requested that legislators serving on the  
43 interim committee and other interested legislators  
44 be authorized to participate in the meetings of the  
45 workgroups and subcommittees addressed in this Act.

46 (2) In addition to addressing workgroup  
47 recommendations, it is intended that the interim  
48 committee address property tax issues, devise a means  
49 of ensuring the state maintains its funding commitments  
50 for the redesigned services system, recommend revisions



1 in the requirements for mental health professionals  
2 who are engaged in the involuntary commitment and  
3 examination processes under chapter 229, develop  
4 proposed legislation for amending Code references to  
5 mental retardation to instead refer to intellectual  
6 disabilities, and consider issues posed by the  
7 July 1, 2013, repeals of county disability services  
8 administration and funding provisions in 2011 Iowa  
9 Acts, Senate File 209, as amended by this Act. In  
10 addressing the repeal provisions, the interim committee  
11 shall include options for further revisions to the  
12 repeal date amendments enacted by this Act.

13 (3) It is intended that the interim committee  
14 shall receive and make recommendations concerning the  
15 detailed and final proposals submitted by workgroups  
16 during the 2011 legislative interim for consideration  
17 by the general assembly in the 2012 legislative  
18 session.

19 c. (1) The department of human services shall  
20 design the workgroup process to facilitate effective  
21 decision making while allowing for a broad array of  
22 input. The workgroup process shall begin as soon after  
23 the effective date of this Act as is practicable. The  
24 membership of workgroups and subcommittees involved  
25 with the process shall include consumers, service  
26 providers, and advocates and provide for adequate  
27 representation by both rural and urban interests.  
28 The department of public health shall be represented  
29 on those workgroups and subcommittees with a focus  
30 relevant to the department.

31 (2) The detailed and final proposals developed  
32 by the workgroups during the 2011 interim shall  
33 be submitted to the interim committee on or before  
34 December 9, 2011.

35 d. At least one workgroup shall address redesign  
36 of the adult mental health system and at least  
37 one workgroup shall address redesign of the adult  
38 intellectual and other developmental disability system.  
39 The workgroup process shall engage separate workgroups  
40 and subcommittees enumerated in this Act and may  
41 involve additional bodies in the process as determined  
42 by the department.

43 e. It is intended that interim committee members  
44 be engaged, to the extent possible, in workgroup  
45 deliberations and begin formal discussions of  
46 preliminary proposals developed by the workgroups  
47 beginning in October.

48 4. The workgroup process implemented by the  
49 department of human services pursuant to subsection  
50 3 shall result in the submission of proposals for



1 redesign of adult disability services that include but  
2 are not limited to all of the following:

3 a. Identifying clear definitions and requirements  
4 for the following:

5 (1) Eligibility criteria for the individuals to be  
6 served.

7 (2) The array of core services and other support to  
8 be included in regional adult disability services plans  
9 and to be delivered by providers based on individual  
10 needs and medical necessity and in a manner that  
11 promotes cost-effectiveness, uniformity, accessibility,  
12 and best practice approaches. The array shall  
13 encompass and integrate services and other support paid  
14 for by both the Medicaid program and other sources.

15 (3) Outcome measures that focus on consumer needs,  
16 including but not limited to measures addressing  
17 individual choice, empowerment, and community.

18 (4) Quality assurance measures.

19 (5) Provider accreditation, certification,  
20 or licensure requirements to ensure high quality  
21 services while avoiding unreasonable expectations and  
22 duplicative surveys.

23 (6) Input in regional service plans and delivery  
24 provisions by consumer and provider representatives.  
25 The input process shall engage local consumers,  
26 providers, and counties in developing the regional  
27 provisions.

28 (7) Provisions for representatives of the regional  
29 system and the department to regularly engage in  
30 discussions to resolve Medicaid and non-Medicaid  
31 issues involving documentation requirements, electronic  
32 records, reimbursement methodologies, cost projections,  
33 and other measures to improve the services and other  
34 support available to consumers.

35 b. Incorporating strategies to allow individuals  
36 to receive services in accordance with the principles  
37 established in *Olmstead v. L.C.*, 527 U.S. 581 (1999),  
38 in order for services to be provided in the most  
39 community-based, least restrictive, and integrated  
40 setting appropriate to an individual's needs.

41 c. Continuing the department's leadership role  
42 in the Medicaid program in defining services covered,  
43 establishing reimbursement methodologies, providing  
44 other administrative functions, and engaging in federal  
45 options for program enhancements that are beneficial to  
46 consumers and the state such as medical or behavioral  
47 health homes.

48 d. Implementing mental health crisis response  
49 services statewide in a manner determined to be most  
50 appropriate by each region.



1 e. Implementing a subacute level of care to provide  
2 short-term mental health services in a structured  
3 residential setting that supplies a less intensive  
4 level of care than is supplied by acute psychiatric  
5 services.

6 f. Reviewing best practices and programs utilized  
7 by other states in identifying new approaches for  
8 addressing the needs for publicly funded services for  
9 persons with brain injury. The proposals regarding  
10 these approaches may be submitted after the workgroup  
11 submission date set out in subsection 3.

12 g. Developing a proposal for addressing service  
13 provider shortages. The development of the proposal  
14 shall incorporate an examination of scope of practice  
15 limitations and barriers to recruiting providers,  
16 including but not limited to variation in health  
17 insurance payment provisions for the services provided  
18 by different types of providers.

19 h. Developing a proposal for service providers  
20 addressing co-occurring mental health, intellectual  
21 disability, brain injury, and substance abuse  
22 disorders. Each workgroup or subcommittee shall  
23 address co-occurring disorders as appropriate to the  
24 focus of the workgroup or subcommittee. The overall  
25 proposal may be developed by a body consisting of  
26 members from other workgroups or subcommittees. The  
27 proposal shall also provide options, developed in  
28 coordination with the judicial branch and department  
29 of human services workgroup, for implementation  
30 of the provision of advocates to patients with  
31 substance-related disorders.

32 i. Developing a proposal for redesign of publicly  
33 funded children's disability services, including but  
34 not limited to the needs of children who are placed  
35 out-of-state due to the lack of treatment services  
36 in this state. The proposal shall be developed by a  
37 separate workgroup or subcommittee and in addition to  
38 the other interests and representation required by this  
39 section, the membership shall include education system  
40 and juvenile court representatives. The preliminary  
41 findings and recommendations, and the initial proposal  
42 shall be submitted by the October and December 2011  
43 dates required for other workgroups and subcommittees.  
44 The initial proposal developed during the 2011  
45 legislative interim shall include an analysis of gaps  
46 in the children's system and other planning provisions  
47 necessary to complete the final proposal for submission  
48 on or before December 10, 2012.

49 j. Developing a proposal for adult disability  
50 services not paid for by the Medicaid program to be



1 administered on a regional basis in a manner that  
2 provides multiple local points of access for consumers  
3 needing adult disability services, regardless of  
4 the funding sources for the services. The proposal  
5 shall be integrated with the other proposals under  
6 this subsection and shall be developed by a separate  
7 workgroup or subcommittee engaging both urban and rural  
8 county supervisors and central-point-of-coordination  
9 administrators and other experts. The considerations  
10 for inclusion in the proposal for forming regional  
11 entities shall include but are not limited to all of  
12 the following:

13 (1) Modifying the relevant provisions of chapter  
14 28E for use by counties in forming regional entities  
15 and addressing other necessary contracting measures.

16 (2) Providing for performance-based contracting  
17 between the department of human services and regional  
18 entities to ensure the existence of multiple, local  
19 points of access for adult disability services  
20 eligibility, intake, and authorization, service  
21 navigation support, and case coordination or case  
22 management, regardless of the funding sources for the  
23 services.

24 (3) Developing a three-year service plan and annual  
25 update to meet the needs of consumers.

26 (4) Providing for the regional entities to  
27 implement performance-based contracts, uniform cost  
28 reports, and consistent reimbursement practices and  
29 payment methodologies with local providers of services  
30 not paid for by the Medicaid program.

31 (5) Providing for the regional entities to  
32 determine the Medicaid program targeted case managers  
33 to serve the regions.

34 (6) Providing for the regional entities and the  
35 department of human services to regularly coordinate  
36 and communicate with one another concerning the adult  
37 disability services paid for by the Medicaid program so  
38 that services paid for by the program and the regional  
39 entities are integrated and coordinated.

40 (7) Identifying sufficient population size to  
41 attain economy of scale, adequate financial resources,  
42 and appropriate service delivery.

43 (8) Addressing full participation in regional  
44 entities by counties.

45 (9) Including dispute resolution provisions for  
46 county-to-county relationships, county-to-region  
47 relationships, and region-to-state relationships.

48 (10) Providing for a consumer appeal process that  
49 is clear, impartial, and consistent, with consideration  
50 of an option that appeals beyond the regional level



1 should be to a state administrative law judge.

2 (11) Addressing financial management provisions,  
3 including appropriate financial reserve levels.

4 (12) Proposing other criteria for forming regional  
5 entities. The other criteria considered shall include  
6 but are not limited to all of the following:

7 (a) Requiring a region to consist of contiguous  
8 counties.

9 (b) Evaluating a proposed region's capacity  
10 for providing core services and performing required  
11 functions.

12 (c) Requiring a region to encompass at least  
13 one community mental health center or federally  
14 qualified health center with providers qualified to  
15 provide psychiatric services, either directly or with  
16 assistance from psychiatric consultants, that has the  
17 capacity to provide outpatient services for the region  
18 and has provided evidence of a commitment to provide  
19 outpatient services for the region.

20 (d) Requiring a region to encompass or have  
21 reasonably close proximity to a hospital with an  
22 inpatient psychiatric unit or to a state mental health  
23 institute, that has the capacity to provide inpatient  
24 services for the region and has provided evidence of  
25 a commitment to provide inpatient services for the  
26 region.

27 (e) Requiring an administrative structure utilized  
28 by a region to have clear lines of accountability and  
29 to serve as a lead agency with shared county staff or  
30 other means of limiting administrative costs to not  
31 more than five percent of expenditures.

32 5. The target date for full implementation of  
33 the plan and implementation provisions described in  
34 subsections 3 and 4 shall be July 1, 2013, provided,  
35 however, that any expansion of services is subject to  
36 available funding.

37 Sec. \_\_\_\_\_. CONTINUATION OF WORKGROUP BY JUDICIAL  
38 BRANCH AND DEPARTMENT OF HUMAN SERVICES. The judicial  
39 branch and department of human services shall continue  
40 the workgroup implemented pursuant to 2010 Iowa Acts,  
41 chapter 1192, section 24, subsection 2, to improve  
42 the processes for involuntary commitment for chronic  
43 substance abuse under chapter 125 and for serious  
44 mental illness under chapter 229, and shall coordinate  
45 its efforts with the legislative interim committee and  
46 other workgroups initiated pursuant to this Act. The  
47 recommendations issued by the workgroup shall address  
48 options to the current provision of transportation  
49 by the county sheriff; to the role, supervision,  
50 and funding of mental health patient advocates and



1 substance-related disorder patient advocates, along  
 2 with options for implementation of the provision of  
 3 advocates to patients with such disorders; for revising  
 4 requirements for mental health professionals who are  
 5 engaged in the involuntary commitment and examination  
 6 processes under chapter 229; for authorizing the  
 7 court to order an involuntary hold of a patient under  
 8 section 229.10 for not more than twenty-three hours  
 9 who was not initially taken into custody but declined  
 10 to be examined pursuant to a previous court order;  
 11 and for civil commitment prescreening. Preliminary  
 12 recommendations shall be submitted to the legislative  
 13 interim committee in October 2011, as specified by the  
 14 interim committee. Additional stakeholders shall be  
 15 added as necessary to facilitate the workgroup efforts.  
 16 The workgroup shall complete deliberations and submit  
 17 a final report to the legislative interim committee  
 18 providing findings and recommendations on or before  
 19 December 9, 2011.

20 Sec. \_\_\_\_ . SERVICE SYSTEM DATA AND STATISTICAL  
 21 INFORMATION INTEGRATION. In coordination with  
 22 the legislative interim committee and workgroups  
 23 initiated pursuant to this Act, representatives of the  
 24 department of human services, department of public  
 25 health, and the community services network hosted by  
 26 the Iowa state association of counties shall develop  
 27 implementation provisions for an integrated data and  
 28 statistical information system for mental health,  
 29 disability services, and substance abuse services.  
 30 The implementation provisions shall incorporate  
 31 federal data and statistical information requirements.  
 32 When completed, the departments and affiliate shall  
 33 report on the integrated system to the governor,  
 34 the joint appropriations subcommittee on health and  
 35 human services, and the legislative services agency,  
 36 providing their findings and recommendations.

37 Sec. \_\_\_\_ . DEPARTMENT OF HUMAN SERVICES. There is  
 38 appropriated from the general fund of the state to  
 39 the department of human services for the fiscal year  
 40 beginning July 1, 2010, and ending June 30, 2011, the  
 41 following amount, or so much thereof as is necessary,  
 42 to be used for the purposes designated:

43 For the costs of planning and other processes  
 44 associated with implementation of this Act:  
 45 ..... \$ 250,000

46 Notwithstanding section 8.47 or any other provision  
 47 of law to the contrary, the department may utilize a  
 48 sole source approach to contract to support planning  
 49 and other processes associated with implementation  
 50 of this Act. Notwithstanding section 8.33, moneys



1 appropriated in this section that remain unencumbered  
2 or unobligated at the close of the fiscal year shall  
3 not revert but shall remain available for expenditure  
4 for the purposes designated until the close of the  
5 succeeding fiscal year.

6 Sec. \_\_\_\_ EFFECTIVE UPON ENACTMENT. This division  
7 of this Act, being deemed of immediate importance,  
8 takes effect upon enactment and, unless otherwise  
9 provided by this division of this Act, if approved by  
10 the governor on or after July 1, 2011, shall apply  
11 retroactively to June 30, 2011.

12 DIVISION \_\_\_\_

13 MENTAL HEALTH AND DISABILITY SERVICES REDESIGN  
14 CONFORMING PROVISIONS

15 Sec. \_\_\_\_ CONFORMING PROVISIONS. The legislative  
16 services agency shall prepare a study bill for  
17 consideration by the committees on human resources of  
18 the senate and house of representatives for the 2012  
19 legislative session, providing any necessary conforming  
20 Code changes for implementation of the mental health  
21 and disabilities services redesign divisions contained  
22 in this Act.

23 DIVISION \_\_\_\_

24 MENTAL HEALTH AND DISABILITY SERVICES REDESIGN  
25 PSYCHIATRIC MEDICAL INSTITUTIONS FOR CHILDREN

26 Sec. \_\_\_\_ Section 135H.3, subsection 1, Code 2011,  
27 is amended to read as follows:

28 1. A psychiatric medical institution for children  
29 shall utilize a team of professionals to direct an  
30 organized program of diagnostic services, psychiatric  
31 services, nursing care, and rehabilitative services  
32 to meet the needs of residents in accordance with a  
33 medical care plan developed for each resident. The  
34 membership of the team of professionals may include  
35 but is not limited to an advanced registered nurse  
36 practitioner or a physician assistant. Social and  
37 rehabilitative services shall be provided under the  
38 direction of a qualified mental health professional.

39 Sec. \_\_\_\_ Section 135H.6, subsection 8, Code 2011,  
40 is amended to read as follows:

41 8. The department of human services may give  
42 approval to conversion of beds approved under  
43 subsection 6, to beds which are specialized to provide  
44 substance abuse treatment. However, the total number  
45 of beds approved under subsection 6 and this subsection  
46 shall not exceed four hundred thirty. Conversion of  
47 beds under this subsection shall not require a revision  
48 of the certificate of need issued for the psychiatric  
49 institution making the conversion. Beds for children  
50 who do not reside in this state and whose service costs



1 are not paid by public funds in this state are not  
2 subject to the limitations on the number of beds and  
3 certificate of need requirements otherwise applicable  
4 under this section.

5 Sec. \_\_\_\_ . PSYCHIATRIC MEDICAL INSTITUTIONS FOR  
6 CHILDREN AND RELATED SERVICES ---- TRANSITION COMMITTEE.

7 1. For the purposes of this section, unless the  
8 context otherwise requires:

9 a. "Iowa plan" means the contract to administer the  
10 behavioral health managed care plan under the state's  
11 Medicaid program.

12 b. "PMIC" means a psychiatric medical institution  
13 for children.

14 2. It is the intent of the general assembly to do  
15 the following under this section:

16 a. Improve the reimbursement, expected outcomes,  
17 and integration of PMIC services to serve the best  
18 interests of children within the context of a redesign  
19 of the delivery of publicly funded children's mental  
20 health services in this state.

21 b. Support the development of specialized programs  
22 for children with high acuity requirements whose needs  
23 are not met by Iowa's current system and must be served  
24 in out-of-state placements.

25 c. Transition PMIC services while providing  
26 services in a manner that applies best practices and is  
27 cost-effective.

28 3. The department of human services, in  
29 collaboration with PMIC providers, shall develop a  
30 plan for transitioning the administration of PMIC  
31 services to the Iowa plan. The transition plan  
32 shall address specific strategies for appropriately  
33 addressing PMIC lengths of stay by increasing the  
34 availability of less intensive levels of care,  
35 establishing vendor performance standards, identifying  
36 levels of PMIC care, providing for performance and  
37 quality improvement technical assistance to providers,  
38 identifying methods and standards for credentialing  
39 providers of specialized programs, using innovative  
40 reimbursement incentives to improve access while  
41 building the capacity of less intensive levels of care,  
42 and providing implementation guidelines.

43 4. a. The transition plan shall address the  
44 development of specialized programs to address the  
45 needs of children in need of more intensive treatment  
46 who are currently underserved. All of the following  
47 criteria shall be used for such programs:

48 (1) Geographic accessibility.

49 (2) Expertise needed to assure appropriate and  
50 effective treatment.



1 (3) Capability to define and provide the  
2 appropriate array of services and report on  
3 standardized outcome measures.

4 (4) Best interests of the child.

5 b. The transition plan shall also address all of  
6 the following:

7 (1) Providing navigation, access, and care  
8 coordination for children and families in need of  
9 services from the children's mental health system.

10 (2) Integrating the children's mental health  
11 waiver services under the Medicaid program with  
12 other services addressed by the transition plan as a  
13 means for supporting the transition plan and ensuring  
14 availability of choices for community placements.

15 (3) Identifying admission and continued stay  
16 criteria for PMIC providers.

17 (4) Evaluating changes in licensing standards for  
18 PMICs as necessary to ensure that the standards are  
19 aligned with overall system goals.

20 (5) Evaluating alternative reimbursement and  
21 service models that are innovative and could support  
22 overall system goals. The models may include but are  
23 not limited to accountable care organizations, medical  
24 or other health homes, and performance-based payment  
25 methods.

26 (6) Evaluating the adequacy of reimbursement at all  
27 levels of the children's mental health system.

28 (7) Developing profiles of the conditions and  
29 behaviors that result in a child's involuntary  
30 discharge or out-of-state placement. The plan shall  
31 incorporate provisions for developing specialized  
32 programs that are designed to appropriately meet the  
33 needs identified in the profiles.

34 (8) Evaluating and defining the appropriate array  
35 of less intensive services for a child leaving a  
36 hospital or PMIC placement.

37 (9) Evaluating and defining the standards for  
38 existing and new PMIC and other treatment levels.

39 5. a. The department shall establish a  
40 transition committee that includes departmental  
41 staff representatives for Medicaid, child welfare,  
42 field, and mental health services, the director of  
43 the Iowa plan, the department of inspections and  
44 appeals, a representative of each licensed PMIC, the  
45 executive director of the coalition of family and  
46 children's services in Iowa, a person with knowledge  
47 and expertise in care coordination and integration  
48 of PMIC and community-based services, two persons  
49 representing families affected by the children's mental  
50 health system, and a representative of juvenile court



1 officers.

2 b. The transition committee shall develop the plan  
3 and manage the transition if the plan is implemented.  
4 The plan shall be developed by December 31, 2011,  
5 and shall be submitted to the general assembly by  
6 January 16, 2012. The submitted plan shall include  
7 an independent finding by the director of human  
8 services, in consultation with the office of the  
9 governor and the chairpersons and ranking members of  
10 the joint appropriations subcommittee on health and  
11 human services, that the plan meets the intent of the  
12 general assembly under this section. Unless otherwise  
13 directed by enactment of the general assembly the  
14 department and the transition committee may proceed  
15 with implementation of the submitted plan on or before  
16 July 1, 2012.

17 c. The transition committee shall continue to meet  
18 through December 31, 2013, to oversee transition of  
19 PMIC services to the Iowa plan.

20 6. The director of the Medicaid enterprise of the  
21 department of human services shall annually report on  
22 or before December 15 to the chairpersons and ranking  
23 members of the joint appropriations subcommittee on  
24 health and human services through December 15, 2016,  
25 regarding the implementation of this section. The  
26 content of the report shall include but is not limited  
27 to information on children served by PMIC providers,  
28 the types of locations to which children are discharged  
29 following a hospital or PMIC placement and the  
30 community-based services available to such children,  
31 and the incidence of readmission to a PMIC within 12  
32 months of discharge. The report shall also recommend  
33 whether or not to continue administration of PMIC  
34 services under the Iowa plan based upon the quality  
35 of service delivery, the value of utilizing the Iowa  
36 plan administration rather than the previous approach  
37 through the Medicaid enterprise, and analysis of the  
38 cost and benefits of utilizing the Iowa plan approach.

39 DIVISION \_\_\_\_

40 MENTAL HEALTH AND DISABILITY SERVICES REDESIGN  
41 COMMUNITY MENTAL HEALTH CENTERS

42 COMMUNITY MENTAL HEALTH CENTERS ---- CATCHMENT AREAS

43 Sec. \_\_\_\_ . NEW SECTION. 230A.101 Services system  
44 roles.

45 1. The role of the department of human services,  
46 through the division of the department designated as  
47 the state mental health authority with responsibility  
48 for state policy concerning mental health and  
49 disability services, is to develop and maintain  
50 policies for the mental health and disability services



1 system. The policies shall address the service  
2 needs of individuals of all ages with disabilities  
3 in this state, regardless of the individuals' places  
4 of residence or economic circumstances, and shall be  
5 consistent with the requirements of chapter 225C and  
6 other applicable law.

7 2. The role of community mental health centers in  
8 the mental health and disability services system is  
9 to provide an organized set of services in order to  
10 adequately meet the mental health needs of this state's  
11 citizens based on organized catchment areas.

12 Sec. \_\_\_\_ . NEW SECTION. 230A.102 Definitions.

13 As used in this chapter, unless the context  
14 otherwise requires:

15 1. "Administrator", "commission", "department",  
16 "disability services", and "division" mean the same as  
17 defined in section 225C.2.

18 2. "Catchment area" means a community mental health  
19 center catchment area identified in accordance with  
20 this chapter.

21 3. "Community mental health center" or "center"  
22 means a community mental health center designated in  
23 accordance with this chapter.

24 Sec. \_\_\_\_ . NEW SECTION. 230A.103 Designation of  
25 community mental health centers.

26 1. The division, subject to agreement by any  
27 community mental health center that would provide  
28 services for the catchment area and approval by the  
29 commission, shall designate at least one community  
30 mental health center under this chapter to serve as  
31 lead agency for addressing the mental health needs of  
32 the county or counties comprising the catchment area.  
33 The designation process shall provide for the input  
34 of potential service providers regarding designation  
35 of the initial catchment area or a change in the  
36 designation.

37 2. The division shall utilize objective criteria  
38 for designating a community mental health center  
39 to serve a catchment area and for withdrawing such  
40 designation. The commission shall adopt rules  
41 outlining the criteria. The criteria shall include but  
42 are not limited to provisions for meeting all of the  
43 following requirements:

44 a. An appropriate means shall be used for  
45 determining which prospective designee is best able to  
46 serve all ages of the targeted population within the  
47 catchment area with minimal or no service denials.

48 b. An effective means shall be used for determining  
49 the relative ability of a prospective designee to  
50 appropriately provide mental health services and other



1 support to consumers residing within a catchment area  
2 as well as consumers residing outside the catchment  
3 area. The criteria shall address the duty for a  
4 prospective designee to arrange placements outside the  
5 catchment area when such placements best meet consumer  
6 needs and to provide services within the catchment area  
7 to consumers who reside outside the catchment area when  
8 the services are necessary and appropriate.

9 3. The board of directors for a designated  
10 community mental health center shall enter into  
11 an agreement with the division. The terms of the  
12 agreement shall include but are not limited to all of  
13 the following:

14 a. The period of time the agreement will be in  
15 force.

16 b. The services and other support the center will  
17 offer or provide for the residents of the catchment  
18 area.

19 c. The standards to be followed by the center in  
20 determining whether and to what extent the persons  
21 seeking services from the center shall be considered to  
22 be able to pay the costs of the services.

23 d. The policies regarding availability of the  
24 services offered by the center to the residents of the  
25 catchment area as well as consumers residing outside  
26 the catchment area.

27 e. The requirements for preparation and submission  
28 to the division of annual audits, cost reports, program  
29 reports, performance measures, and other financial and  
30 service accountability information.

31 4. This section does not limit the authority of  
32 the board or the boards of supervisors of any county  
33 or group of counties to continue to expend money to  
34 support operation of a center.

35 Sec. \_\_\_\_\_. NEW SECTION. 230A.104 Catchment areas.

36 1. The division shall collaborate with affected  
37 counties in identifying community mental health center  
38 catchment areas in accordance with this section.

39 2. a. Unless the division has determined that  
40 exceptional circumstances exist, a catchment area  
41 shall be served by one community mental health center.  
42 The purpose of this general limitation is to clearly  
43 designate the center responsible and accountable for  
44 providing core mental health services to the target  
45 population in the catchment area and to protect the  
46 financial viability of the centers comprising the  
47 mental health services system in the state.

48 b. A formal review process shall be used in  
49 determining whether exceptional circumstances exist  
50 that justify designating more than one center to



1 serve a catchment area. The criteria for the review  
2 process shall include but are not limited to a means  
3 of determining whether the catchment area can support  
4 more than one center.

5 c. Criteria shall be provided that would allow  
6 the designation of more than one center for all  
7 or a portion of a catchment area if designation or  
8 approval for more than one center was provided by the  
9 division as of October 1, 2010. The criteria shall  
10 require a determination that all such centers would be  
11 financially viable if designation is provided for all.  
12 Sec. \_\_\_\_\_. NEW SECTION. 230A.105 Target population  
13 ---- eligibility.

14 1. The target population residing in a catchment  
15 area to be served by a community mental health  
16 center shall include but is not limited to all of the  
17 following:

18 a. Individuals of any age who are experiencing a  
19 mental health crisis.

20 b. Individuals of any age who have a mental health  
21 disorder.

22 c. Adults who have a serious mental illness or  
23 chronic mental illness.

24 d. Children and youth who are experiencing a  
25 serious emotional disturbance.

26 e. Individuals described in paragraph "a", "b",  
27 "c", or "d" who have a co-occurring disorder, including  
28 but not limited to substance abuse, mental retardation,  
29 a developmental disability, brain injury, autism  
30 spectrum disorder, or another disability or special  
31 health care need.

32 2. Specific eligibility criteria for members of the  
33 target population shall be identified in administrative  
34 rules adopted by the commission. The eligibility  
35 criteria shall address both clinical and financial  
36 eligibility.

37 Sec. \_\_\_\_\_. NEW SECTION. 230A.106 Services offered.

38 1. A community mental health center designated  
39 in accordance with this chapter shall offer core  
40 services and support addressing the basic mental health  
41 and safety needs of the target population and other  
42 residents of the catchment area served by the center  
43 and may offer other services and support. The core  
44 services shall be identified in administrative rules  
45 adopted by the commission for this purpose.

46 2. The initial core services identified shall  
47 include all of the following:

48 a. Outpatient services. Outpatient services shall  
49 consist of evaluation and treatment services provided  
50 on an ambulatory basis for the target population.



1 Outpatient services include psychiatric evaluations,  
2 medication management, and individual, family, and  
3 group therapy. In addition, outpatient services shall  
4 include specialized outpatient services directed to the  
5 following segments of the target population: children,  
6 elderly, individuals who have serious and persistent  
7 mental illness, and residents of the service area  
8 who have been discharged from inpatient treatment  
9 at a mental health facility. Outpatient services  
10 shall provide elements of diagnosis, treatment, and  
11 appropriate follow-up. The provision of only screening  
12 and referral services does not constitute outpatient  
13 services.

14 b. Twenty-four-hour emergency services.  
15 Twenty-four-hour emergency services shall be  
16 provided through a system that provides access to a  
17 clinician and appropriate disposition with follow-up  
18 documentation of the emergency service provided.  
19 A patient shall have access to evaluation and  
20 stabilization services after normal business hours.  
21 The range of emergency services that shall be available  
22 to a patient may include but are not limited to direct  
23 contact with a clinician, medication evaluation,  
24 and hospitalization. The emergency services may be  
25 provided directly by the center or in collaboration  
26 or affiliation with other appropriately accredited  
27 providers.

28 c. Day treatment, partial hospitalization, or  
29 psychosocial rehabilitation services. Such services  
30 shall be provided as structured day programs in  
31 segments of less than twenty-four hours using a  
32 multidisciplinary team approach to develop treatment  
33 plans that vary in intensity of services and the  
34 frequency and duration of services based on the needs  
35 of the patient. These services may be provided  
36 directly by the center or in collaboration or  
37 affiliation with other appropriately accredited  
38 providers.

39 d. Admission screening for voluntary patients.  
40 Admission screening services shall be available for  
41 patients considered for voluntary admission to a state  
42 mental health institute to determine the patient's  
43 appropriateness for admission.

44 e. Community support services. Community support  
45 services shall consist of support and treatment  
46 services focused on enhancing independent functioning  
47 and assisting persons in the target population who  
48 have a serious and persistent mental illness to live  
49 and work in their community setting, by reducing or  
50 managing mental illness symptoms and the associated



1 functional disabilities that negatively impact such  
2 persons' community integration and stability.

3 f. Consultation services. Consultation services  
4 may include provision of professional assistance and  
5 information about mental health and mental illness to  
6 individuals, service providers, or groups to increase  
7 such persons' effectiveness in carrying out their  
8 responsibilities for providing services. Consultations  
9 may be case-specific or program-specific.

10 g. Education services. Education services may  
11 include information and referral services regarding  
12 available resources and information and training  
13 concerning mental health, mental illness, availability  
14 of services and other support, the promotion  
15 of mental health, and the prevention of mental  
16 illness. Education services may be made available to  
17 individuals, groups, organizations, and the community  
18 in general.

19 3. A community mental health center shall be  
20 responsible for coordinating with associated services  
21 provided by other unaffiliated agencies to members  
22 of the target population in the catchment area and  
23 to integrate services in the community with services  
24 provided to the target population in residential or  
25 inpatient settings.

26 Sec. \_\_\_\_ . NEW SECTION. 230A.107 Form of  
27 organization.

28 1. Except as authorized in subsection 2, a  
29 community mental health center designated in accordance  
30 with this chapter shall be organized and administered  
31 as a nonprofit corporation.

32 2. A for-profit corporation, nonprofit corporation,  
33 or county hospital providing mental health services to  
34 county residents pursuant to a waiver approved under  
35 section 225C.7, subsection 3, Code 2011, as of October  
36 1, 2010, may also be designated as a community mental  
37 health center.

38 Sec. \_\_\_\_ . NEW SECTION. 230A.108 Administrative,  
39 diagnostic, and demographic information.

40 Release of administrative and diagnostic  
41 information, as defined in section 228.1, and  
42 demographic information necessary for aggregated  
43 reporting to meet the data requirements established by  
44 the division, relating to an individual who receives  
45 services from a community mental health center, may  
46 be made a condition of support of that center by the  
47 division.

48 Sec. \_\_\_\_ . NEW SECTION. 230A.109 Funding ----  
49 legislative intent.

50 1. It is the intent of the general assembly that



1 public funding for community mental health centers  
2 designated in accordance with this chapter shall be  
3 provided as a combination of federal and state funding.

4 2. It is the intent of the general assembly that  
5 the state funding provided to centers be a sufficient  
6 amount for the core services and support addressing the  
7 basic mental health and safety needs of the residents  
8 of the catchment area served by each center to be  
9 provided regardless of individual ability to pay for  
10 the services and support.

11 3. While a community mental health center must  
12 comply with the core services requirements and other  
13 standards associated with designation, provision of  
14 services is subject to the availability of a payment  
15 source for the services.

16 Sec. \_\_\_\_ . NEW SECTION. 230A.110 Standards.

17 1. The division shall recommend and the commission  
18 shall adopt standards for designated community  
19 mental health centers and comprehensive community  
20 mental health programs, with the overall objective of  
21 ensuring that each center and each affiliate providing  
22 services under contract with a center furnishes  
23 high-quality mental health services within a framework  
24 of accountability to the community it serves. The  
25 standards adopted shall conform with federal standards  
26 applicable to community mental health centers and  
27 shall be in substantial conformity with the applicable  
28 behavioral health standards adopted by the joint  
29 commission, formerly known as the joint commission  
30 on accreditation of health care organizations, and  
31 other recognized national standards for evaluation of  
32 psychiatric facilities unless in the judgment of the  
33 division, with approval of the commission, there are  
34 sound reasons for departing from the standards.

35 2. When recommending standards under this section,  
36 the division shall designate an advisory committee  
37 representing boards of directors and professional  
38 staff of designated community mental health centers to  
39 assist in the formulation or revision of standards.  
40 The membership of the advisory committee shall include  
41 representatives of professional and nonprofessional  
42 staff and other appropriate individuals.

43 3. The standards recommended under this section  
44 shall include requirements that each community mental  
45 health center designated under this chapter do all of  
46 the following:

47 a. Maintain and make available to the public a  
48 written statement of the services the center offers  
49 to residents of the catchment area being served. The  
50 center shall employ or contract for services with



1 affiliates to employ staff who are appropriately  
2 credentialed or meet other qualifications in order to  
3 provide services.

4 b. If organized as a nonprofit corporation, be  
5 governed by a board of directors which adequately  
6 represents interested professions, consumers of  
7 the center's services, socioeconomic, cultural, and  
8 age groups, and various geographical areas in the  
9 catchment area served by the center. If organized  
10 as a for-profit corporation, the corporation's policy  
11 structure shall incorporate such representation.

12 c. Arrange for the financial condition and  
13 transactions of the community mental health center to  
14 be audited once each year by the auditor of state.  
15 However, in lieu of an audit by state accountants,  
16 the local governing body of a community mental health  
17 center organized under this chapter may contract with  
18 or employ certified public accountants to conduct the  
19 audit, pursuant to the applicable terms and conditions  
20 prescribed by sections 11.6 and 11.19 and audit format  
21 prescribed by the auditor of state. Copies of each  
22 audit shall be furnished by the accountant to the  
23 administrator of the division of mental health and  
24 disability services.

25 d. Comply with the accreditation standards  
26 applicable to the center.

27 Sec. \_\_\_\_\_. NEW SECTION. 230A.111 Review and  
28 evaluation.

29 1. The review and evaluation of designated centers  
30 shall be performed through a formal accreditation  
31 review process as recommended by the division and  
32 approved by the commission. The accreditation process  
33 shall include all of the following:

34 a. Specific time intervals for full accreditation  
35 reviews based upon levels of accreditation.

36 b. Use of random or complaint-specific, on-site  
37 limited accreditation reviews in the interim between  
38 full accreditation reviews, as a quality review  
39 approach. The results of such reviews shall be  
40 presented to the commission.

41 c. Use of center accreditation self-assessment  
42 tools to gather data regarding quality of care and  
43 outcomes, whether used during full or limited reviews  
44 or at other times.

45 2. The accreditation process shall include but is  
46 not limited to addressing all of the following:

47 a. Measures to address centers that do not meet  
48 standards, including authority to revoke accreditation.

49 b. Measures to address noncompliant centers that  
50 do not develop a corrective action plan or fail to



1 implement steps included in a corrective action plan  
2 accepted by the division.

3 c. Measures to appropriately recognize centers that  
4 successfully complete a corrective action plan.

5 d. Criteria to determine when a center's  
6 accreditation should be denied, revoked, suspended, or  
7 made provisional.

8 Sec. \_\_\_\_\_. REPEAL. Sections 230A.1 through 230A.18,  
9 Code 2011, are repealed.

10 Sec. \_\_\_\_\_. IMPLEMENTATION ---- EFFECTIVE DATE.

11 1. Community mental health centers operating  
12 under the provisions of chapter 230A, Code 2011, and  
13 associated standards, rules, and other requirements as  
14 of June 30, 2012, may continue to operate under such  
15 requirements until the department of human services,  
16 division of mental health and disability services, and  
17 the mental health and disability services commission  
18 have completed the rules adoption process to implement  
19 the amendments to chapter 230A enacted by this division  
20 of this Act, identified catchment areas, and completed  
21 designations of centers.

22 2. The division and the commission shall complete  
23 the rules adoption process and other requirements  
24 addressed in subsection 1 on or before June 30, 2012.

25 3. Except for this section, which shall take effect  
26 July 1, 2011, this division of this Act takes effect  
27 July 1, 2012.

28 DIVISION \_\_\_\_

29 MENTAL HEALTH AND DISABILITY SERVICES REDESIGN  
30 PERSONS WITH SUBSTANCE-RELATED DISORDERS  
31 AND PERSONS WITH MENTAL ILLNESS

32 Sec. \_\_\_\_\_. Section 125.1, subsection 1, Code 2011,  
33 is amended to read as follows:

34 1. That ~~substance abusers and persons suffering~~  
35 ~~from chemical dependency~~ persons with substance-related  
36 disorders be afforded the opportunity to receive  
37 quality treatment and directed into rehabilitation  
38 services which will help them resume a socially  
39 acceptable and productive role in society.

40 Sec. \_\_\_\_\_. Section 125.2, subsection 2, Code 2011,  
41 is amended by striking the subsection.

42 Sec. \_\_\_\_\_. Section 125.2, subsection 5, Code 2011,  
43 is amended by striking the subsection and inserting in  
44 lieu thereof the following:

45 5. "Substance-related disorder" means a diagnosable  
46 substance abuse disorder of sufficient duration to meet  
47 diagnostic criteria specified within the most current  
48 diagnostic and statistical manual of mental disorders  
49 published by the American psychiatric association that  
50 results in a functional impairment.



1 Sec. \_\_\_\_\_. Section 125.2, subsection 9, Code 2011,  
2 is amended to read as follows:

3 9. "Facility" means an institution, a  
4 detoxification center, or an installation providing  
5 care, maintenance and treatment for ~~substance abusers~~  
6 persons with substance-related disorders licensed  
7 by the department under section 125.13, hospitals  
8 licensed under chapter 135B, or the state mental health  
9 institutes designated by chapter 226.

10 Sec. \_\_\_\_\_. Section 125.2, subsections 13, 17, and  
11 18, Code 2011, are amended by striking the subsections.

12 Sec. \_\_\_\_\_. Section 125.9, subsections 2 and 4, Code  
13 2011, are amended to read as follows:

14 2. Make contracts necessary or incidental to the  
15 performance of the duties and the execution of the  
16 powers of the director, including contracts with public  
17 and private agencies, organizations and individuals  
18 to pay them for services rendered or furnished to  
19 ~~substance abusers, chronic substance abusers, or~~  
20 ~~intoxicated persons~~ persons with substance-related  
21 disorders.

22 4. Coordinate the activities of the department and  
23 cooperate with substance abuse programs in this and  
24 other states, and make contracts and other joint or  
25 cooperative arrangements with state, local or private  
26 agencies in this and other states for the treatment  
27 of ~~substance abusers, chronic substance abusers, and~~  
28 ~~intoxicated persons~~ persons with substance-related  
29 disorders and for the common advancement of substance  
30 abuse programs.

31 Sec. \_\_\_\_\_. Section 125.10, subsections 2, 3, 4, 5,  
32 7, 8, 9, 11, 13, 15, and 17, Code 2011, are amended to  
33 read as follows:

34 2. Develop, encourage, and foster statewide,  
35 regional and local plans and programs for the  
36 prevention of substance ~~abuse~~ misuse and the treatment  
37 of ~~substance abusers, chronic substance abusers, and~~  
38 ~~intoxicated persons~~ persons with substance-related  
39 disorders in cooperation with public and private  
40 agencies, organizations and individuals, and provide  
41 technical assistance and consultation services for  
42 these purposes.

43 3. Coordinate the efforts and enlist the assistance  
44 of all public and private agencies, organizations and  
45 individuals interested in the prevention of substance  
46 abuse and the treatment of ~~substance abusers, chronic~~  
47 ~~substance abusers, and intoxicated persons~~ persons with  
48 substance-related disorders.

49 4. Cooperate with the department of human  
50 services and the Iowa department of public health



1 in establishing and conducting programs to provide  
2 treatment for ~~substance abusers, chronic substance~~  
3 ~~abusers, and intoxicated persons~~ persons with  
4 substance-related disorders.

5 5. Cooperate with the department of education,  
6 boards of education, schools, police departments,  
7 courts, and other public and private agencies,  
8 organizations, and individuals in establishing programs  
9 for the prevention of substance abuse and the treatment  
10 of ~~substance abusers, chronic substance abusers, and~~  
11 ~~intoxicated persons~~ persons with substance-related  
12 disorders, and in preparing relevant curriculum  
13 materials for use at all levels of school education.

14 7. Develop and implement, as an integral part  
15 of treatment programs, an educational program for  
16 use in the treatment of ~~substance abusers, chronic~~  
17 ~~substance abusers, and intoxicated persons~~ persons  
18 with substance-related disorders, which program shall  
19 include the dissemination of information concerning the  
20 nature and effects of ~~chemical~~ substances.

21 8. Organize and implement, in cooperation with  
22 local treatment programs, training programs for all  
23 persons engaged in treatment of ~~substance abusers,~~  
24 ~~chronic substance abusers, and intoxicated persons~~  
25 persons with substance-related disorders.

26 9. Sponsor and implement research in cooperation  
27 with local treatment programs into the causes and  
28 nature of substance ~~abuse~~ misuse and treatment of  
29 ~~substance abusers, chronic substance abusers, and~~  
30 ~~intoxicated persons~~ persons with substance-related  
31 disorders, and serve as a clearing house for  
32 information relating to substance abuse.

33 11. Develop and implement, with the counsel and  
34 approval of the board, the comprehensive plan for  
35 treatment of ~~substance abusers, chronic substance~~  
36 ~~abusers, and intoxicated persons~~ persons with  
37 substance-related disorders in accordance with this  
38 chapter.

39 13. Utilize the support and assistance of  
40 interested persons in the community, particularly  
41 ~~recovered substance abusers and chronic substance~~  
42 ~~abusers,~~ persons who are recovering from  
43 substance-related disorders to encourage ~~substance~~  
44 ~~abusers and chronic substance abusers~~ persons with  
45 substance-related disorders to voluntarily undergo  
46 treatment.

47 15. Encourage general hospitals and other  
48 appropriate health facilities to admit without  
49 discrimination ~~substance abusers, chronic substance~~  
50 ~~abusers, and intoxicated persons~~ persons with



1 substance-related disorders and to provide them with  
2 adequate and appropriate treatment. The director may  
3 negotiate and implement contracts with hospitals and  
4 other appropriate health facilities with adequate  
5 detoxification facilities.

6 17. Review all state health, welfare, education and  
7 treatment proposals to be submitted for federal funding  
8 under federal legislation, and advise the governor on  
9 provisions to be included relating to substance abuse,  
10 ~~substance abusers, chronic substance abusers, and~~  
11 intoxicated persons and persons with substance-related  
12 disorders.

13 Sec. \_\_\_\_\_. Section 125.12, subsections 1 and 3, Code  
14 2011, are amended to read as follows:

15 1. The board shall review the comprehensive  
16 substance abuse program implemented by the department  
17 for the treatment of ~~substance abusers, chronic~~  
18 ~~substance abusers, intoxicated persons~~ persons with  
19 substance-related disorders, and concerned family  
20 members. Subject to the review of the board, the  
21 director shall divide the state into appropriate  
22 regions for the conduct of the program and establish  
23 standards for the development of the program on  
24 the regional level. In establishing the regions,  
25 consideration shall be given to city and county lines,  
26 population concentrations, and existing substance abuse  
27 treatment services.

28 3. The director shall provide for adequate and  
29 appropriate treatment for ~~substance abusers, chronic~~  
30 ~~substance abusers, intoxicated persons~~ persons with  
31 substance-related disorders, and concerned family  
32 members admitted under sections 125.33 and 125.34, or  
33 under section 125.75, 125.81, or 125.91. Treatment  
34 shall not be provided at a correctional institution  
35 except for inmates.

36 Sec. \_\_\_\_\_. Section 125.13, subsection 1, paragraph  
37 a, Code 2011, is amended to read as follows:

38 a. Except as provided in subsection 2, a person  
39 shall not maintain or conduct any chemical substitutes  
40 or antagonists program, residential program, or  
41 nonresidential outpatient program, the primary purpose  
42 of which is the treatment and rehabilitation of  
43 ~~substance abusers or chronic substance abusers~~ persons  
44 with substance-related disorders without having first  
45 obtained a written license for the program from the  
46 department.

47 Sec. \_\_\_\_\_. Section 125.13, subsection 2, paragraphs  
48 a and c, Code 2011, are amended to read as follows:

49 a. A hospital providing care or treatment to  
50 ~~substance abusers or chronic substance abusers~~ persons



1 with substance-related disorders licensed under chapter  
2 135B which is accredited by the joint commission  
3 on the accreditation of health care organizations,  
4 the commission on accreditation of rehabilitation  
5 facilities, the American osteopathic association, or  
6 another recognized organization approved by the board.  
7 All survey reports from the accrediting or licensing  
8 body must be sent to the department.

9 c. Private institutions conducted by and  
10 for persons who adhere to the faith of any well  
11 recognized church or religious denomination for the  
12 purpose of providing care, treatment, counseling,  
13 or rehabilitation to ~~substance abusers or chronic~~  
14 ~~substance abusers~~ persons with substance-related  
15 disorders and who rely solely on prayer or other  
16 spiritual means for healing in the practice of religion  
17 of such church or denomination.

18 Sec. \_\_\_\_\_. Section 125.15, Code 2011, is amended to  
19 read as follows:

20 125.15 Inspections.

21 The department may inspect the facilities and review  
22 the procedures utilized by any chemical substitutes  
23 or antagonists program, residential program, or  
24 nonresidential outpatient program that has as a  
25 primary purpose the treatment and rehabilitation of  
26 ~~substance abusers or chronic substance abusers~~ persons  
27 with substance-related disorders, for the purpose of  
28 ensuring compliance with this chapter and the rules  
29 adopted pursuant to this chapter. The examination  
30 and review may include case record audits and  
31 interviews with staff and patients, consistent with the  
32 confidentiality safeguards of state and federal law.

33 Sec. \_\_\_\_\_. Section 125.32, unnumbered paragraph 1,  
34 Code 2011, is amended to read as follows:

35 The department shall adopt and may amend and repeal  
36 rules for acceptance of persons into the treatment  
37 program, subject to chapter 17A, considering available  
38 treatment resources and facilities, for the purpose of  
39 early and effective treatment of ~~substance abusers,~~  
40 ~~chronic substance abusers, intoxicated persons,~~ persons  
41 with substance-related disorders and concerned family  
42 members. In establishing the rules the department  
43 shall be guided by the following standards:

44 Sec. \_\_\_\_\_. Section 125.33, subsections 1, 3, and 4,  
45 Code 2011, are amended to read as follows:

46 1. A ~~substance abuser or chronic substance abuser~~  
47 person with a substance-related disorder may apply  
48 for voluntary treatment or rehabilitation services  
49 directly to a facility or to a licensed physician and  
50 surgeon or osteopathic physician and surgeon. If the



1 proposed patient is a minor or an incompetent person, a  
2 parent, a legal guardian or other legal representative  
3 may make the application. The licensed physician  
4 and surgeon or osteopathic physician and surgeon or  
5 any employee or person acting under the direction or  
6 supervision of the physician and surgeon or osteopathic  
7 physician and surgeon, or the facility shall not  
8 report or disclose the name of the person or the fact  
9 that treatment was requested or has been undertaken  
10 to any law enforcement officer or law enforcement  
11 agency; nor shall such information be admissible as  
12 evidence in any court, grand jury, or administrative  
13 proceeding unless authorized by the person seeking  
14 treatment. If the person seeking such treatment or  
15 rehabilitation is a minor who has personally made  
16 application for treatment, the fact that the minor  
17 sought treatment or rehabilitation or is receiving  
18 treatment or rehabilitation services shall not be  
19 reported or disclosed to the parents or legal guardian  
20 of such minor without the minor's consent, and the  
21 minor may give legal consent to receive such treatment  
22 and rehabilitation.

23 3. A ~~substance abuser or chronic substance abuser~~  
24 person with a substance-related disorder seeking  
25 treatment or rehabilitation and who is either addicted  
26 or dependent on a chemical substance may first be  
27 examined and evaluated by a licensed physician and  
28 surgeon or osteopathic physician and surgeon who may  
29 prescribe a proper course of treatment and medication,  
30 if needed. The licensed physician and surgeon  
31 or osteopathic physician and surgeon may further  
32 prescribe a course of treatment or rehabilitation  
33 and authorize another licensed physician and surgeon  
34 or osteopathic physician and surgeon or facility to  
35 provide the prescribed treatment or rehabilitation  
36 services. Treatment or rehabilitation services may  
37 be provided to a person individually or in a group.  
38 A facility providing or engaging in treatment or  
39 rehabilitation shall not report or disclose to a law  
40 enforcement officer or law enforcement agency the name  
41 of any person receiving or engaged in the treatment  
42 or rehabilitation; nor shall a person receiving or  
43 participating in treatment or rehabilitation report  
44 or disclose the name of any other person engaged in  
45 or receiving treatment or rehabilitation or that the  
46 program is in existence, to a law enforcement officer  
47 or law enforcement agency. Such information shall  
48 not be admitted in evidence in any court, grand jury,  
49 or administrative proceeding. However, a person  
50 engaged in or receiving treatment or rehabilitation



1 may authorize the disclosure of the person's name and  
2 individual participation.

3 4. If a patient receiving inpatient or residential  
4 care leaves a facility, the patient shall be encouraged  
5 to consent to appropriate outpatient or halfway house  
6 treatment. If it appears to the administrator in  
7 charge of the facility that the patient is a ~~substance~~  
8 ~~abuser or chronic substance abuser~~ person with a  
9 substance-related disorder who requires help, the  
10 director may arrange for assistance in obtaining  
11 supportive services.

12 Sec. \_\_\_\_\_. Section 125.34, Code 2011, is amended to  
13 read as follows:

14 125.34 Treatment and services for ~~intoxicated~~  
15 ~~persons and persons incapacitated by alcohol~~ persons  
16 with substance-related disorders due to intoxication and  
17 substance-induced incapacitation.

18 1. ~~An intoxicated~~ A person with a substance-related  
19 disorder due to intoxication or substance-induced  
20 incapacitation may come voluntarily to a facility  
21 for emergency treatment. A person who appears to be  
22 intoxicated or incapacitated by a ~~chemical~~ substance  
23 in a public place and in need of help may be taken to a  
24 facility by a peace officer under section 125.91. If  
25 the person refuses the proffered help, the person may  
26 be arrested and charged with intoxication under section  
27 123.46, if applicable.

28 2. If no facility is readily available the  
29 person may be taken to an emergency medical service  
30 customarily used for incapacitated persons. The  
31 peace officer in detaining the person and in taking  
32 the person to a facility shall make every reasonable  
33 effort to protect the person's health and safety. In  
34 detaining the person the detaining officer may take  
35 reasonable steps for self-protection. Detaining a  
36 person under section 125.91 is not an arrest and no  
37 entry or other record shall be made to indicate that  
38 the person who is detained has been arrested or charged  
39 with a crime.

40 3. A person who arrives at a facility and  
41 voluntarily submits to examination shall be examined  
42 by a licensed physician as soon as possible after the  
43 person arrives at the facility. The person may then  
44 be admitted as a patient or referred to another health  
45 facility. The referring facility shall arrange for  
46 transportation.

47 4. If a person is voluntarily admitted to a  
48 facility, the person's family or next of kin shall be  
49 notified as promptly as possible. If an adult patient  
50 who is not incapacitated requests that there be no



1 notification, the request shall be respected.

2 5. A peace officer who acts in compliance with  
3 this section is acting in the course of the officer's  
4 official duty and is not criminally or civilly liable  
5 therefor, unless such acts constitute willful malice  
6 or abuse.

7 6. If the physician in charge of the facility  
8 determines it is for the patient's benefit, the patient  
9 shall be encouraged to agree to further diagnosis and  
10 appropriate voluntary treatment.

11 7. A licensed physician and surgeon or osteopathic  
12 physician and surgeon, facility administrator, or an  
13 employee or a person acting as or on behalf of the  
14 facility administrator, is not criminally or civilly  
15 liable for acts in conformity with this chapter, unless  
16 the acts constitute willful malice or abuse.

17 Sec. \_\_\_\_\_. Section 125.43, Code 2011, is amended to  
18 read as follows:

19 125.43 Funding at mental health institutes.  
20 Chapter 230 governs the determination of the  
21 costs and payment for treatment provided to ~~substance~~  
22 ~~abusers or chronic substance abusers~~ persons with  
23 substance-related disorders in a mental health  
24 institute under the department of human services,  
25 except that the charges are not a lien on real estate  
26 owned by persons legally liable for support of the  
27 ~~substance abuser or chronic substance abuser~~ person  
28 with a substance-related disorder and the daily per  
29 diem shall be billed at twenty-five percent. The  
30 superintendent of a state hospital shall total only  
31 those expenditures which can be attributed to the  
32 cost of providing inpatient treatment to ~~substance~~  
33 ~~abusers or chronic substance abusers~~ persons with  
34 substance-related disorders for purposes of determining  
35 the daily per diem. Section 125.44 governs the  
36 determination of who is legally liable for the cost  
37 of care, maintenance, and treatment of a ~~substance~~  
38 ~~abuser or chronic substance abuser~~ person with a  
39 substance-related disorder and of the amount for which  
40 the person is liable.

41 Sec. \_\_\_\_\_. Section 125.43A, Code 2011, is amended to  
42 read as follows:

43 125.43A Prescreening ---- exception.  
44 Except in cases of medical emergency or  
45 court-ordered admissions, a person shall be admitted  
46 to a state mental health institute for substance  
47 abuse treatment only after a preliminary intake and  
48 assessment by a department-licensed treatment facility  
49 or a hospital providing care or treatment for ~~substance~~  
50 ~~abusers~~ persons with substance-related disorders



1 licensed under chapter 135B and accredited by the  
2 joint commission on the accreditation of health care  
3 organizations, the commission on accreditation of  
4 rehabilitation facilities, the American osteopathic  
5 association, or another recognized organization  
6 approved by the board, or by a designee of a  
7 department-licensed treatment facility or a hospital  
8 other than a state mental health institute, which  
9 confirms that the admission is appropriate to the  
10 person's substance abuse service needs. A county board  
11 of supervisors may seek an admission of a patient  
12 to a state mental health institute who has not been  
13 confirmed for appropriate admission and the county  
14 shall be responsible for one hundred percent of the  
15 cost of treatment and services of the patient.

16 Sec. \_\_\_\_\_. Section 125.44, Code 2011, is amended to  
17 read as follows:

18 125.44 Agreements with facilities ---- liability for  
19 costs.

20 The director may, consistent with the comprehensive  
21 substance abuse program, enter into written  
22 agreements with a facility as defined in section  
23 125.2 to pay for one hundred percent of the cost of  
24 the care, maintenance, and treatment of ~~substance~~  
25 ~~abusers and chronic substance abusers~~ persons with  
26 substance-related disorders, except when section  
27 125.43A applies. All payments for state patients shall  
28 be made in accordance with the limitations of this  
29 section. Such contracts shall be for a period of no  
30 more than one year.

31 The contract may be in the form and contain  
32 provisions as agreed upon by the parties. The contract  
33 shall provide that the facility shall admit and  
34 treat ~~substance abusers and chronic substance abusers~~  
35 persons with substance-related disorders regardless  
36 of where they have residence. If one payment for  
37 care, maintenance, and treatment is not made by the  
38 patient or those legally liable for the patient, the  
39 payment shall be made by the department directly to  
40 the facility. Payments shall be made each month and  
41 shall be based upon the rate of payment for services  
42 negotiated between the department and the contracting  
43 facility. If a facility projects a temporary cash flow  
44 deficit, the department may make cash advances at the  
45 beginning of each fiscal year to the facility. The  
46 repayment schedule for advances shall be part of the  
47 contract between the department and the facility. This  
48 section does not pertain to patients treated at the  
49 mental health institutes.

50 If the appropriation to the department is



1 insufficient to meet the requirements of this section,  
2 the department shall request a transfer of funds and  
3 section 8.39 shall apply.

4     The ~~substance abuser or chronic substance abuser~~  
5 person with a substance-related disorder is legally  
6 liable to the facility for the total amount of the cost  
7 of providing care, maintenance, and treatment for the  
8 ~~substance abuser or chronic substance abuser~~ person  
9 with a substance-related disorder while a voluntary or  
10 committed patient in a facility. This section does not  
11 prohibit any individual from paying any portion of the  
12 cost of treatment.

13     The department is liable for the cost of  
14 care, treatment, and maintenance of ~~substance~~  
15 ~~abusers and chronic substance abusers~~ persons with  
16 substance-related disorders admitted to the facility  
17 voluntarily or pursuant to section 125.75, 125.81,  
18 or 125.91 or section 321J.3 or 124.409 only to those  
19 facilities that have a contract with the department  
20 under this section, only for the amount computed  
21 according to and within the limits of liability  
22 prescribed by this section, and only when the ~~substance~~  
23 ~~abuser or chronic substance abuser~~ person with a  
24 substance-related disorder is unable to pay the costs  
25 and there is no other person, firm, corporation, or  
26 insurance company bound to pay the costs.

27     The department's maximum liability for the costs  
28 of care, treatment, and maintenance of ~~substance~~  
29 ~~abusers and chronic substance abusers~~ persons with  
30 substance-related disorders in a contracting facility  
31 is limited to the total amount agreed upon by the  
32 parties and specified in the contract under this  
33 section.

34     Sec. \_\_\_\_\_. Section 125.46, Code 2011, is amended to  
35 read as follows:

36     125.46 County of residence determined.

37     The facility shall, when a ~~substance abuser~~  
38 ~~or chronic substance abuser~~ person with a  
39 substance-related disorder is admitted, or as  
40 soon thereafter as it receives the proper information,  
41 determine and enter upon its records the Iowa county of  
42 residence of the ~~substance abuser or chronic substance~~  
43 ~~abuser~~ person with a substance-related disorder, or  
44 that the person resides in some other state or country,  
45 or that the person is unclassified with respect to  
46 residence.

47     Sec. \_\_\_\_\_. Section 125.75, unnumbered paragraph 1,  
48 Code 2011, is amended to read as follows:

49     Proceedings for the involuntary commitment or  
50 treatment of a ~~chronic substance abuser~~ person with



1 a substance-related disorder to a facility may be  
2 commenced by the county attorney or an interested  
3 person by filing a verified application with the  
4 clerk of the district court of the county where  
5 the respondent is presently located or which is  
6 the respondent's place of residence. The clerk or  
7 the clerk's designee shall assist the applicant in  
8 completing the application. The application shall:

9 Sec. \_\_\_\_\_. Section 125.75, subsection 1, Code 2011,  
10 is amended to read as follows:

11 1. State the applicant's belief that the  
12 respondent is a ~~chronic substance abuser~~ person with a  
13 substance-related disorder.

14 Sec. \_\_\_\_\_. Section 125.80, subsections 3 and 4, Code  
15 2011, are amended to read as follows:

16 3. If the report of a court-designated physician  
17 is to the effect that the respondent is not a ~~chronic~~  
18 ~~substance abuser~~ person with a substance-related  
19 disorder, the court, without taking further action, may  
20 terminate the proceeding and dismiss the application on  
21 its own motion and without notice.

22 4. If the report of a court-designated physician  
23 is to the effect that the respondent is a ~~chronic~~  
24 ~~substance abuser~~ person with a substance-related  
25 disorder, the court shall schedule a commitment  
26 hearing as soon as possible. The hearing shall be  
27 held not more than forty-eight hours after the report  
28 is filed, excluding Saturdays, Sundays, and holidays,  
29 unless an extension for good cause is requested by  
30 the respondent, or as soon thereafter as possible if  
31 the court considers that sufficient grounds exist for  
32 delaying the hearing.

33 Sec. \_\_\_\_\_. Section 125.81, subsection 1, Code 2011,  
34 is amended to read as follows:

35 1. If a person filing an application requests that  
36 a respondent be taken into immediate custody, and the  
37 court upon reviewing the application and accompanying  
38 documentation, finds probable cause to believe that the  
39 respondent is a ~~chronic substance abuser~~ person with  
40 a substance-related disorder who is likely to injure  
41 the person or other persons if allowed to remain at  
42 liberty, the court may enter a written order directing  
43 that the respondent be taken into immediate custody  
44 by the sheriff, and be detained until the commitment  
45 hearing, which shall be held no more than five days  
46 after the date of the order, except that if the fifth  
47 day after the date of the order is a Saturday, Sunday,  
48 or a holiday, the hearing may be held on the next  
49 business day. The court may order the respondent  
50 detained for the period of time until the hearing is



1 held, and no longer except as provided in section  
2 125.88, in accordance with subsection 2, paragraph  
3 "a", if possible, and if not, then in accordance with  
4 subsection 2, paragraph "b", or, only if neither of  
5 these alternatives is available in accordance with  
6 subsection 2, paragraph "c".

7 Sec. \_\_\_\_\_. Section 125.82, subsection 4, Code 2011,  
8 is amended to read as follows:

9 4. The respondent's welfare is paramount, and the  
10 hearing shall be tried as a civil matter and conducted  
11 in as informal a manner as is consistent with orderly  
12 procedure. Discovery as permitted under the Iowa rules  
13 of civil procedure is available to the respondent. The  
14 court shall receive all relevant and material evidence,  
15 but the court is not bound by the rules of evidence.  
16 A presumption in favor of the respondent exists, and  
17 the burden of evidence and support of the contentions  
18 made in the application shall be upon the person who  
19 filed the application. If upon completion of the  
20 hearing the court finds that the contention that the  
21 respondent is a ~~chronic substance abuser~~ person with a  
22 substance-related disorder has not been sustained by  
23 clear and convincing evidence, the court shall deny the  
24 application and terminate the proceeding.

25 Sec. \_\_\_\_\_. Section 125.83, Code 2011, is amended to  
26 read as follows:

27 125.83 Placement for evaluation.

28 If upon completion of the commitment hearing,  
29 the court finds that the contention that the  
30 respondent is a ~~chronic substance abuser~~ person with  
31 a substance-related disorder has been sustained by  
32 clear and convincing evidence, the court shall order  
33 the respondent placed at a facility or under the  
34 care of a suitable facility on an outpatient basis as  
35 expeditiously as possible for a complete evaluation  
36 and appropriate treatment. The court shall furnish to  
37 the facility at the time of admission or outpatient  
38 placement, a written statement of facts setting forth  
39 the evidence on which the finding is based. The  
40 administrator of the facility shall report to the court  
41 no more than fifteen days after the individual is  
42 admitted to or placed under the care of the facility,  
43 which shall include the chief medical officer's  
44 recommendation concerning substance abuse treatment.  
45 An extension of time may be granted for a period not  
46 to exceed seven days upon a showing of good cause. A  
47 copy of the report shall be sent to the respondent's  
48 attorney who may contest the need for an extension of  
49 time if one is requested. If the request is contested,  
50 the court shall make an inquiry as it deems appropriate



1 and may either order the respondent released from  
2 the facility or grant extension of time for further  
3 evaluation. If the administrator fails to report to  
4 the court within fifteen days after the individual is  
5 admitted to the facility, and no extension of time has  
6 been requested, the administrator is guilty of contempt  
7 and shall be punished under chapter 665. The court  
8 shall order a rehearing on the application to determine  
9 whether the respondent should continue to be held at  
10 the facility.

11 Sec. \_\_\_\_\_. Section 125.83A, subsection 1, Code 2011,  
12 is amended to read as follows:

13 1. If upon completion of the commitment hearing,  
14 the court finds that the contention that the  
15 respondent is a ~~chronic substance abuser~~ person with a  
16 substance-related disorder has been sustained by clear  
17 and convincing evidence, and the court is furnished  
18 evidence that the respondent is eligible for care  
19 and treatment in a facility operated by the United  
20 States department of veterans affairs or another  
21 agency of the United States government and that the  
22 facility is willing to receive the respondent, the  
23 court may so order. The respondent, when so placed in  
24 a facility operated by the United States department  
25 of veterans affairs or another agency of the United  
26 States government within or outside of this state,  
27 shall be subject to the rules of the United States  
28 department of veterans affairs or other agency, but  
29 shall not lose any procedural rights afforded the  
30 respondent by this chapter. The chief officer of the  
31 facility shall have, with respect to the respondent  
32 so placed, the same powers and duties as the chief  
33 medical officer of a hospital in this state would  
34 have in regard to submission of reports to the court,  
35 retention of custody, transfer, convalescent leave, or  
36 discharge. Jurisdiction is retained in the court to  
37 maintain surveillance of the respondent's treatment and  
38 care, and at any time to inquire into the respondent's  
39 condition and the need for continued care and custody.

40 Sec. \_\_\_\_\_. Section 125.84, subsections 2, 3, and 4,  
41 Code 2011, are amended to read as follows:

42 2. That the respondent is a ~~chronic substance~~  
43 ~~abuser~~ person with a substance-related disorder who  
44 is in need of full-time custody, care, and treatment  
45 in a facility, and is considered likely to benefit  
46 from treatment. If the report so states, the court  
47 shall enter an order which may require the respondent's  
48 continued placement and commitment to a facility for  
49 appropriate treatment.

50 3. That the respondent is a ~~chronic substance~~



1 ~~abuser~~ person with a substance-related disorder who is  
2 in need of treatment, but does not require full-time  
3 placement in a facility. If the report so states,  
4 the report shall include the chief medical officer's  
5 recommendation for treatment of the respondent on an  
6 outpatient or other appropriate basis, and the court  
7 shall enter an order which may direct the respondent to  
8 submit to the recommended treatment. The order shall  
9 provide that if the respondent fails or refuses to  
10 submit to treatment, as directed by the court's order,  
11 the court may order that the respondent be taken into  
12 immediate custody as provided by section 125.81 and,  
13 following notice and hearing held in accordance with  
14 the procedures of sections 125.77 and 125.82, may order  
15 the respondent treated as a patient requiring full-time  
16 custody, care, and treatment as provided in subsection  
17 2, and may order the respondent involuntarily committed  
18 to a facility.

19 4. That the respondent is a ~~chronic substance~~  
20 ~~abuser~~ person with a substance-related disorder who is  
21 in need of treatment, but in the opinion of the chief  
22 medical officer is not responding to the treatment  
23 provided. If the report so states, the report shall  
24 include the facility administrator's recommendation  
25 for alternative placement, and the court shall enter  
26 an order which may direct the respondent's transfer  
27 to the recommended placement or to another placement  
28 after consultation with respondent's attorney and the  
29 facility administrator who made the report under this  
30 subsection.

31 Sec. \_\_\_\_\_. Section 125.91, subsections 1, 2, and 3,  
32 Code 2011, are amended to read as follows:

33 1. The procedure prescribed by this section  
34 shall only be used for ~~an intoxicated~~ a person with  
35 a substance-related disorder due to intoxication or  
36 substance-induced incapacitation who has threatened,  
37 attempted, or inflicted physical self-harm or harm on  
38 another, and is likely to inflict physical self-harm or  
39 harm on another unless immediately detained, or who is  
40 incapacitated by a ~~chemical~~ substance, if that person  
41 cannot be taken into immediate custody under sections  
42 125.75 and 125.81 because immediate access to the court  
43 is not possible.

44 2. a. A peace officer who has reasonable  
45 grounds to believe that the circumstances described  
46 in subsection 1 are applicable may, without a  
47 warrant, take or cause that person to be taken to the  
48 nearest available facility referred to in section  
49 125.81, subsection 2, paragraph "b" or "c". Such  
50 ~~an intoxicated or incapacitated~~ a person with a



1 substance-related disorder due to intoxication or  
2 substance-induced incapacitation who also demonstrates  
3 a significant degree of distress or dysfunction may  
4 also be delivered to a facility by someone other than  
5 a peace officer upon a showing of reasonable grounds.  
6 Upon delivery of the person to a facility under this  
7 section, the examining physician may order treatment  
8 of the person, but only to the extent necessary to  
9 preserve the person's life or to appropriately control  
10 the person's behavior if the behavior is likely to  
11 result in physical injury to the person or others  
12 if allowed to continue. The peace officer or other  
13 person who delivered the person to the facility  
14 shall describe the circumstances of the matter to  
15 the examining physician. If the person is a peace  
16 officer, the peace officer may do so either in person  
17 or by written report. If the examining physician has  
18 reasonable grounds to believe that the circumstances in  
19 subsection 1 are applicable, the examining physician  
20 shall at once communicate with the nearest available  
21 magistrate as defined in section 801.4, subsection 10.  
22 The magistrate shall, based upon the circumstances  
23 described by the examining physician, give the  
24 examining physician oral instructions either directing  
25 that the person be released forthwith, or authorizing  
26 the person's detention in an appropriate facility.  
27 The magistrate may also give oral instructions and  
28 order that the detained person be transported to an  
29 appropriate facility.

30 b. If the magistrate orders that the person be  
31 detained, the magistrate shall, by the close of  
32 business on the next working day, file a written order  
33 with the clerk in the county where it is anticipated  
34 that an application may be filed under section 125.75.  
35 The order may be filed by facsimile if necessary. The  
36 order shall state the circumstances under which the  
37 person was taken into custody or otherwise brought to  
38 a facility and the grounds supporting the finding of  
39 probable cause to believe that the person is a ~~chronic~~  
40 ~~substance-abuser~~ person with a substance-related  
41 disorder likely to result in physical injury to the  
42 person or others if not detained. The order shall  
43 confirm the oral order authorizing the person's  
44 detention including any order given to transport the  
45 person to an appropriate facility. The clerk shall  
46 provide a copy of that order to the ~~chief medical~~  
47 ~~officer of the facility~~ attending physician, to  
48 which the person was originally taken, any subsequent  
49 facility to which the person was transported, and  
50 to any law enforcement department or ambulance



1 service that transported the person pursuant to the  
2 magistrate's order.

3 3. The ~~chief medical officer of the facility~~  
4 attending physician shall examine and may detain the  
5 person pursuant to the magistrate's order for a period  
6 not to exceed forty-eight hours from the time the order  
7 is dated, excluding Saturdays, Sundays, and holidays,  
8 unless the order is dismissed by a magistrate. The  
9 facility may provide treatment which is necessary to  
10 preserve the person's life or to appropriately control  
11 the person's behavior if the behavior is likely to  
12 result in physical injury to the person or others if  
13 allowed to continue or is otherwise deemed medically  
14 necessary by the ~~chief medical officer~~ attending  
15 physician, but shall not otherwise provide treatment to  
16 the person without the person's consent. The person  
17 shall be discharged from the facility and released  
18 from detention no later than the expiration of the  
19 forty-eight-hour period, unless an application for  
20 involuntary commitment is filed with the clerk pursuant  
21 to section 125.75. The detention of a person by the  
22 procedure in this section, and not in excess of the  
23 period of time prescribed by this section, shall not  
24 render the peace officer, attending physician, or  
25 facility detaining the person liable in a criminal or  
26 civil action for false arrest or false imprisonment  
27 if the peace officer, physician, or facility had  
28 reasonable grounds to believe that the circumstances  
29 described in subsection 1 were applicable.

30 Sec. \_\_\_\_\_. Section 226.9C, subsection 2, paragraph  
31 c, Code 2011, is amended to read as follows:

32 c. (1) Prior to an individual's admission for dual  
33 diagnosis treatment, the individual shall have been  
34 prescreened. The person performing the prescreening  
35 shall be either the mental health professional, as  
36 defined in section 228.1, who is contracting with the  
37 county central-point-of-coordination process to provide  
38 the prescreening or a mental health professional  
39 with the requisite qualifications. A mental health  
40 professional with the requisite qualifications shall  
41 meet all of the following qualifications: is a mental  
42 health professional as defined in section 228.1, is  
43 a certified alcohol and drug counselor certified by  
44 the nongovernmental Iowa board of substance abuse  
45 certification, and is employed by or providing services  
46 for a facility, as defined in section 125.2.

47 (2) Prior to an individual's admission for dual  
48 diagnosis treatment, the individual shall have  
49 been screened through a county's central point of  
50 coordination process implemented pursuant to section



1 331.440 to determine the appropriateness of the  
2 treatment.

3 Sec. \_\_\_\_\_. Section 229.1, subsection 12, Code 2011,  
4 is amended to read as follows:

5 12. "Psychiatric advanced registered nurse  
6 practitioner" means an individual currently licensed as  
7 a registered nurse under chapter 152 or 152E who holds  
8 a national certification in psychiatric mental health  
9 care and who is registered with the board of nursing as  
10 an advanced registered nurse practitioner.

11 Sec. \_\_\_\_\_. Section 229.15, subsection 3, paragraph  
12 a, Code 2011, is amended to read as follows:

13 a. A psychiatric advanced registered nurse  
14 practitioner treating a patient previously hospitalized  
15 under this chapter may complete periodic reports  
16 pursuant to this section on the patient if the patient  
17 has been recommended for treatment on an outpatient or  
18 other appropriate basis pursuant to section 229.14,  
19 subsection 1, paragraph "c", ~~and if a psychiatrist~~  
20 ~~licensed pursuant to chapter 148 personally evaluates~~  
21 ~~the patient on at least an annual basis.~~

22 Sec. \_\_\_\_\_. Section 229.21, subsection 2, Code 2011,  
23 is amended to read as follows:

24 2. When an application for involuntary  
25 hospitalization under this chapter or an application  
26 for involuntary commitment or treatment of ~~chronic~~  
27 ~~substance abusers~~ persons with substance-related  
28 disorders under sections 125.75 to 125.94 is filed with  
29 the clerk of the district court in any county for which  
30 a judicial hospitalization referee has been appointed,  
31 and no district judge, district associate judge, or  
32 magistrate who is admitted to the practice of law in  
33 this state is accessible, the clerk shall immediately  
34 notify the referee in the manner required by section  
35 229.7 or section 125.77. The referee shall discharge  
36 all of the duties imposed upon the court by sections  
37 229.7 to 229.22 or sections 125.75 to 125.94 in the  
38 proceeding so initiated. Subject to the provisions of  
39 subsection 4, orders issued by a referee, in discharge  
40 of duties imposed under this section, shall have the  
41 same force and effect as if ordered by a district  
42 judge. However, any commitment to a facility regulated  
43 and operated under chapter 135C, shall be in accordance  
44 with section 135C.23.

45 Sec. \_\_\_\_\_. Section 229.21, subsection 3, paragraphs  
46 a and b, Code 2011, are amended to read as follows:

47 a. Any respondent with respect to whom the  
48 magistrate or judicial hospitalization referee has  
49 found the contention that the respondent is seriously  
50 mentally impaired or a ~~chronic substance abuser~~ person



1 with a substance-related disorder sustained by clear  
2 and convincing evidence presented at a hearing held  
3 under section 229.12 or section 125.82, may appeal from  
4 the magistrate's or referee's finding to a judge of the  
5 district court by giving the clerk notice in writing,  
6 within ten days after the magistrate's or referee's  
7 finding is made, that an appeal is taken. The appeal  
8 may be signed by the respondent or by the respondent's  
9 next friend, guardian, or attorney.

10 b. An order of a magistrate or judicial  
11 hospitalization referee with a finding that the  
12 respondent is seriously mentally impaired or a ~~chronic~~  
13 ~~substance-abuser~~ person with a substance-related  
14 disorder shall include the following notice, located  
15 conspicuously on the face of the order:

16 NOTE: The respondent may appeal from this order to a  
17 judge of the district court by giving written notice of  
18 the appeal to the clerk of the district court within  
19 ten days after the date of this order. The appeal may  
20 be signed by the respondent or by the respondent's next  
21 friend, guardian, or attorney. For a more complete  
22 description of the respondent's appeal rights, consult  
23 section 229.21 of the Code of Iowa or an attorney.

24 Sec. \_\_\_\_\_. Section 229.21, subsection 4, Code 2011,  
25 is amended to read as follows:

26 4. If the appellant is in custody under the  
27 jurisdiction of the district court at the time  
28 of service of the notice of appeal, the appellant  
29 shall be discharged from custody unless an order  
30 that the appellant be taken into immediate custody  
31 has previously been issued under section 229.11 or  
32 section 125.81, in which case the appellant shall  
33 be detained as provided in that section until the  
34 hospitalization or commitment hearing before the  
35 district judge. If the appellant is in the custody of  
36 a hospital or facility at the time of service of the  
37 notice of appeal, the appellant shall be discharged  
38 from custody pending disposition of the appeal unless  
39 the chief medical officer, not later than the end of  
40 the next secular day on which the office of the clerk  
41 is open and which follows service of the notice of  
42 appeal, files with the clerk a certification that in  
43 the chief medical officer's opinion the appellant is  
44 seriously mentally ill or a ~~substance-abuser~~ person  
45 with a substance-related disorder. In that case, the  
46 appellant shall remain in custody of the hospital  
47 or facility until the hospitalization or commitment  
48 hearing before the district court.

49 Sec. \_\_\_\_\_. Section 230.15, unnumbered paragraph 2,  
50 Code 2011, is amended to read as follows:



1 A ~~substance abuser or chronic substance abuser~~  
2 person with a substance-related disorder is legally  
3 liable for the total amount of the cost of providing  
4 care, maintenance, and treatment for the ~~substance~~  
5 ~~abuser or chronic substance abuser~~ person with a  
6 substance-related disorder while a voluntary or  
7 committed patient. When a portion of the cost is paid  
8 by a county, the ~~substance abuser or chronic substance~~  
9 ~~abuser~~ person with a substance-related disorder is  
10 legally liable to the county for the amount paid.  
11 The ~~substance abuser or chronic substance abuser~~  
12 person with a substance-related disorder shall assign  
13 any claim for reimbursement under any contract of  
14 indemnity, by insurance or otherwise, providing for  
15 the ~~abuser's~~ person's care, maintenance, and treatment  
16 in a state hospital to the state. Any payments  
17 received by the state from or on behalf of a ~~substance~~  
18 ~~abuser or chronic substance abuser~~ person with a  
19 substance-related disorder shall be in part credited  
20 to the county in proportion to the share of the costs  
21 paid by the county. Nothing in this section shall be  
22 construed to prevent a relative or other person from  
23 voluntarily paying the full actual cost or any portion  
24 of the care and treatment of any person with mental  
25 illness, ~~substance abuser, or chronic substance abuser~~  
26 or a substance-related disorder as established by the  
27 department of human services.

28 Sec. \_\_\_\_\_. Section 232.116, subsection 1, paragraph  
29 1, subparagraph (2), Code 2011, is amended to read as  
30 follows:

31 (2) The parent has a severe, ~~chronic substance~~  
32 ~~abuse problem,~~ substance-related disorder and presents  
33 a danger to self or others as evidenced by prior acts.

34 Sec. \_\_\_\_\_. Section 600A.8, subsection 8, paragraph  
35 a, Code 2011, is amended to read as follows:

36 a. The parent has been determined to be a ~~chronic~~  
37 ~~substance abuser~~ person with a substance-related  
38 disorder as defined in section 125.2 and the parent has  
39 committed a second or subsequent domestic abuse assault  
40 pursuant to section 708.2A.

41 Sec. \_\_\_\_\_. Section 602.4201, subsection 3, paragraph  
42 h, Code 2011, is amended to read as follows:

43 h. Involuntary commitment or treatment of ~~substance~~  
44 ~~abusers~~ persons with a substance-related disorders.

45 Sec. \_\_\_\_\_. IMPLEMENTATION OF ACT. Section 25B.2,  
46 subsection 3, shall not apply to this division of this  
47 Act.

48 Sec. \_\_\_\_\_. EFFECTIVE DATE. This division of this  
49 Act takes effect July 1, 2012.>

50 17. Page 475, before line 24 by inserting:



<DIVISION \_\_\_\_

HEALTH AND HUMAN SERVICES STATUTORY

Sec. \_\_\_\_ . Section 153.14, subsection 1, Code 2011, is amended to read as follows:

1. Students of dentistry who practice dentistry upon patients at clinics in connection with their regular course of instruction at ~~the state an~~ accredited dental college, students of dental hygiene who practice upon patients at clinics in connection with their regular course of instruction at state-approved schools, and students of dental assisting who practice upon patients at clinics in connection with a regular course of instruction determined by the board pursuant to section 153.39.

Sec. \_\_\_\_ . Section 154A.24, subsection 3, paragraph s, Code 2011, is amended by striking the paragraph.

Sec. \_\_\_\_ . Section 235B.19, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. a. The department shall serve a copy of the petition and any order authorizing protective services, if issued, on the dependent adult and on persons who are competent adults and reasonably ascertainable at the time the petition is filed in accordance with the following priority:

(1) An attorney in fact named by the dependent adult in a durable power of attorney for health care pursuant to chapter 144B.

(2) The dependent adult's spouse.

(3) The dependent adult's children.

(4) The dependent adult's grandchildren.

(5) The dependent adult's siblings.

(6) The dependent adult's aunts and uncles.

(7) The dependent adult's nieces and nephews.

(8) The dependent adult's cousins.

b. When the department has served a person in one of the categories specified in paragraph "a", the department shall not be required to serve a person in any other category.

c. The department shall serve the dependent adult's copy of the petition and order personally upon the dependent adult. Service of the petition and all other orders and notices shall be in a sealed envelope with the proper postage on the envelope, addressed to the person being served at the person's last known post office address, and deposited in a mail receptacle provided by the United States postal service. The department shall serve such copies of emergency orders authorizing protective services and notices within three days after filing the petition and receiving such orders.



1 d. The department and all persons served by the  
2 department with notices under this subsection shall  
3 be prohibited from all of the following without prior  
4 court approval after the department's petition has been  
5 filed:

6 (1) Selling, removing, or otherwise disposing of  
7 the dependent adult's personal property.

8 (2) Withdrawing funds from any bank, savings and  
9 loan association, credit union, or other financial  
10 institution, or from an account containing securities  
11 in which the dependent adult has an interest.

12 Sec. \_\_\_\_\_. Section 237A.1, subsection 3, paragraph  
13 n, Code 2011, is amended to read as follows:

14 n. A program offered to a child whose parent,  
15 guardian, or custodian is engaged solely in a  
16 recreational or social activity, remains immediately  
17 available and accessible on the physical premises on  
18 which the child's care is provided, and does not engage  
19 in employment while the care is provided. However,  
20 if the recreational or social activity is provided in  
21 a fitness center or on the premises of a nonprofit  
22 organization the parent, guardian, or custodian of the  
23 child may be employed to teach or lead the activity.>

24 18. Page 475, before line 24 by inserting:

25 <DIVISION \_\_\_\_  
26 PUBLIC LIBRARIES

27 Sec. \_\_\_\_\_. Section 256.51, subsection 1, Code 2011,  
28 is amended by adding the following new paragraph:

29 NEW PARAGRAPH. 1. Allow a public library that  
30 receives state assistance under section 256.57, or  
31 financial support from a city or county pursuant  
32 to section 256.69, to dispose of, through sale,  
33 conveyance, or exchange, any library materials that may  
34 be obsolete or worn out or that may no longer be needed  
35 or appropriate to the mission of the public library.  
36 These materials may be sold by the public library  
37 directly or the governing body of the public library  
38 may sell the materials by consignment to a public  
39 agency or to a private agency organized to raise funds  
40 solely for support of the public library. Proceeds  
41 from the sale of the library materials may be remitted  
42 to the public library and may be used by the public  
43 library for the purchase of books and other library  
44 materials or equipment, or for the provision of library  
45 services.>

46 19. By renumbering as necessary.

By COWNIE of Polk

HOUSE FILE 697

H-1735

1 Amend House File 697 as follows:

2 1. Page 475, by striking lines 19 through 23 and  
3 inserting:

4 <DIVISION \_\_\_\_

5 EDUCATION FINANCE

6 REGULAR PROGRAM FOUNDATION BASE

7 Sec. \_\_\_\_ Section 257.1, subsection 2, paragraph  
8 b, Code 2011, is amended by striking the paragraph and  
9 inserting in lieu thereof the following:

10 b. (1) The regular program foundation base per  
11 pupil is the following:

12 (a) For the budget year commencing July 1, 2011,  
13 the regular program foundation base per pupil is  
14 eighty-seven and five-tenths percent of the regular  
15 program state cost per pupil.

16 (b) For the budget year commencing July 1, 2012,  
17 the regular program foundation base per pupil is  
18 eighty-seven and five-tenths percent of the regular  
19 program state cost per pupil.

20 (c) For the budget year commencing July 1, 2013,  
21 the regular program foundation base per pupil is  
22 eighty-eight percent of the regular program state cost  
23 per pupil.

24 (d) For the budget year commencing July 1, 2014,  
25 the regular program foundation base per pupil is  
26 eighty-eight and five-tenths percent of the regular  
27 program state cost per pupil.

28 (e) For the budget year commencing July 1, 2015,  
29 the regular program foundation base per pupil is  
30 eighty-nine percent of the regular program state cost  
31 per pupil.

32 (f) For the budget year commencing July 1, 2016,  
33 the regular program foundation base per pupil is  
34 eighty-nine and five-tenths percent of the regular  
35 program state cost per pupil.

36 (g) For the budget year commencing July 1, 2017,  
37 and succeeding budget years, the regular program  
38 foundation base per pupil is ninety percent of the  
39 regular program state cost per pupil.

40 (2) For each budget year, the special education  
41 support services foundation base is seventy-nine  
42 percent of the special education support services state  
43 cost per pupil. The combined foundation base is the  
44 sum of the regular program foundation base, the special  
45 education support services foundation base, the total  
46 teacher salary supplement district cost, the total  
47 professional development supplement district cost, the  
48 total early intervention supplement district cost, the

49 total area education agency teacher salary supplement  
50 district cost, and the total area education agency

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-1-

1 professional development supplement district cost.

2 DIVISION \_\_\_\_

3 PROPERTY TAX

4 PROPERTY ASSESSMENT LIMITATIONS

5 Sec. \_\_\_\_ . Section 441.21, subsection 4, Code 2011,  
6 is amended to read as follows:

7 4. For valuations established as of January  
8 1, 1979, the percentage of actual value at which  
9 agricultural and residential property shall be assessed  
10 shall be the quotient of the dividend and divisor as  
11 defined in this section. The dividend for each class  
12 of property shall be the dividend as determined for  
13 each class of property for valuations established as  
14 of January 1, 1978, adjusted by the product obtained  
15 by multiplying the percentage determined for that year  
16 by the amount of any additions or deletions to actual  
17 value, excluding those resulting from the revaluation  
18 of existing properties, as reported by the assessors  
19 on the abstracts of assessment for 1978, plus six  
20 percent of the amount so determined. However, if the  
21 difference between the dividend so determined for  
22 either class of property and the dividend for that  
23 class of property for valuations established as of  
24 January 1, 1978, adjusted by the product obtained by  
25 multiplying the percentage determined for that year  
26 by the amount of any additions or deletions to actual  
27 value, excluding those resulting from the revaluation  
28 of existing properties, as reported by the assessors  
29 on the abstracts of assessment for 1978, is less than  
30 six percent, the 1979 dividend for the other class of  
31 property shall be the dividend as determined for that  
32 class of property for valuations established as of  
33 January 1, 1978, adjusted by the product obtained by  
34 multiplying the percentage determined for that year  
35 by the amount of any additions or deletions to actual  
36 value, excluding those resulting from the revaluation  
37 of existing properties, as reported by the assessors on  
38 the abstracts of assessment for 1978, plus a percentage  
39 of the amount so determined which is equal to the  
40 percentage by which the dividend as determined for the  
41 other class of property for valuations established as  
42 of January 1, 1978, adjusted by the product obtained  
43 by multiplying the percentage determined for that year  
44 by the amount of any additions or deletions to actual  
45 value, excluding those resulting from the revaluation  
46 of existing properties, as reported by the assessors  
47 on the abstracts of assessment for 1978, is increased  
48 in arriving at the 1979 dividend for the other class  
49 of property. The divisor for each class of property  
50 shall be the total actual value of all such property



1 in the state in the preceding year, as reported by the  
2 assessors on the abstracts of assessment submitted  
3 for 1978, plus the amount of value added to said  
4 total actual value by the revaluation of existing  
5 properties in 1979 as equalized by the director of  
6 revenue pursuant to section 441.49. The director shall  
7 utilize information reported on abstracts of assessment  
8 submitted pursuant to section 441.45 in determining  
9 such percentage. For valuations established as of  
10 January 1, 1980, and each assessment year thereafter  
11 beginning before January 1, 2012, the percentage of  
12 actual value as equalized by the director of revenue  
13 as provided in section 441.49 at which agricultural  
14 and residential property shall be assessed shall be  
15 calculated in accordance with the methods provided  
16 herein including the limitation of increases in  
17 agricultural and residential assessed values to the  
18 percentage increase of the other class of property if  
19 the other class increases less than the allowable limit  
20 adjusted to include the applicable and current values  
21 as equalized by the director of revenue, except that  
22 any references to six percent in this subsection shall  
23 be four percent. For valuations established as of  
24 January 1, 2012, and each assessment year thereafter,  
25 the percentage of actual value as equalized by the  
26 director of revenue as provided in section 441.49 at  
27 which agricultural and residential property shall be  
28 assessed shall be calculated in accordance with the  
29 methods provided herein including the limitation of  
30 increases in agricultural and residential assessed  
31 values to the percentage increase of the other class  
32 of property if the other class increases less than the  
33 allowable limit adjusted to include the applicable and  
34 current values as equalized by the director of revenue,  
35 except that any references to six percent in this  
36 subsection shall be two percent.

37 Sec. \_\_\_\_ . Section 441.21, subsection 5, Code 2011,  
38 is amended to read as follows:

39 5. a. ~~For valuations established as of January~~  
40 ~~1, 1979, commercial property and industrial property,~~  
41 ~~excluding properties referred to in section 427A.1,~~  
42 ~~subsection 8, shall be assessed as a percentage of~~  
43 ~~the actual value of each class of property. The~~  
44 ~~percentage shall be determined for each class of~~  
45 ~~property by the director of revenue for the state in~~  
46 ~~accordance with the provisions of this section. For~~  
47 ~~valuations established as of January 1, 1979, the~~  
48 ~~percentage shall be the quotient of the dividend and~~  
49 ~~divisor as defined in this section. The dividend~~  
50 ~~for each class of property shall be the total actual~~



~~1 valuation for each class of property established for  
2 1978, plus six percent of the amount so determined.  
3 The divisor for each class of property shall be the  
4 valuation for each class of property established for  
5 1978, as reported by the assessors on the abstracts  
6 of assessment for 1978, plus the amount of value  
7 added to the total actual value by the revaluation  
8 of existing properties in 1979 as equalized by the  
9 director of revenue pursuant to section 441.49. For  
10 valuations established as of January 1, 1979, property  
11 valued by the department of revenue pursuant to  
12 chapters 428, 433, 437, and 438 shall be considered  
13 as one class of property and shall be assessed as a  
14 percentage of its actual value. The percentage shall  
15 be determined by the director of revenue in accordance  
16 with the provisions of this section. For valuations  
17 established as of January 1, 1979, the percentage  
18 shall be the quotient of the dividend and divisor as  
19 defined in this section. The dividend shall be the  
20 total actual valuation established for 1978 by the  
21 department of revenue, plus ten percent of the amount  
22 so determined. The divisor for property valued by  
23 the department of revenue pursuant to chapters 428,  
24 433, 437, and 438 shall be the valuation established  
25 for 1978, plus the amount of value added to the total  
26 actual value by the revaluation of the property by  
27 the department of revenue as of January 1, 1979.  
28 For valuations established as of January 1, 1980,  
29 commercial property and industrial property, excluding  
30 properties referred to in section 427A.1, subsection  
31 8, shall be assessed at a percentage of the actual  
32 value of each class of property. The percentage  
33 shall be determined for each class of property by  
34 the director of revenue for the state in accordance  
35 with the provisions of this section. For valuations  
36 established as of January 1, 1980, the percentage  
37 shall be the quotient of the dividend and divisor as  
38 defined in this section. The dividend for each class  
39 of property shall be the dividend as determined for  
40 each class of property for valuations established as  
41 of January 1, 1979, adjusted by the product obtained  
42 by multiplying the percentage determined for that year  
43 by the amount of any additions or deletions to actual  
44 value, excluding those resulting from the revaluation  
45 of existing properties, as reported by the assessors  
46 on the abstracts of assessment for 1979, plus four  
47 percent of the amount so determined. The divisor  
48 for each class of property shall be the total actual  
49 value of all such property in 1979, as equalized by  
50 the director of revenue pursuant to section 441.49,~~



1 ~~plus the amount of value added to the total actual~~  
2 ~~value by the revaluation of existing properties in~~  
3 ~~1980. The director shall utilize information reported~~  
4 ~~on the abstracts of assessment submitted pursuant~~  
5 ~~to section 441.45 in determining such percentage.~~  
6 For valuations established as of January 1, 1980,  
7 property valued by the department of revenue pursuant  
8 to chapters 428, 433, 437, and 438 shall be assessed  
9 at a percentage of its actual value. The percentage  
10 shall be determined by the director of revenue in  
11 accordance with the provisions of this section. For  
12 valuations established as of January 1, 1980, the  
13 percentage shall be the quotient of the dividend and  
14 divisor as defined in this section. The dividend shall  
15 be the total actual valuation established for 1979 by  
16 the department of revenue, plus eight percent of the  
17 amount so determined. The divisor for property valued  
18 by the department of revenue pursuant to chapters 428,  
19 433, 437, and 438 shall be the valuation established  
20 for 1979, plus the amount of value added to the total  
21 actual value by the revaluation of the property by  
22 the department of revenue as of January 1, 1980. ~~For~~  
23 ~~valuations established as of January 1, 1981, and~~  
24 ~~each year thereafter, the percentage of actual value~~  
25 ~~as equalized by the director of revenue as provided~~  
26 ~~in section 441.49 at which commercial property and~~  
27 ~~industrial property, excluding properties referred to~~  
28 ~~in section 427A.1, subsection 8, shall be assessed~~  
29 ~~shall be calculated in accordance with the methods~~  
30 ~~provided herein, except that any references to six~~  
31 ~~percent in this subsection shall be four percent.~~ For  
32 valuations established as of January 1, 1981, and  
33 each year thereafter, the percentage of actual value  
34 at which property valued by the department of revenue  
35 pursuant to chapters 428, 433, 437, and 438 shall be  
36 assessed shall be calculated in accordance with the  
37 methods provided herein, except that any references  
38 to ten percent in this subsection shall be eight  
39 percent. Beginning with valuations established as of  
40 January 1, 1979, and each assessment year thereafter  
41 beginning before January 1, 2012, property valued  
42 by the department of revenue pursuant to chapter 434  
43 shall also be assessed at a percentage of its actual  
44 value which percentage shall be equal to the percentage  
45 determined by the director of revenue for commercial  
46 property, industrial property, or property valued by  
47 the department of revenue pursuant to chapters 428,  
48 433, 437, and 438, whichever is lowest. For valuations  
49 established on or after January 1, 2012, property  
50 valued by the department of revenue pursuant to chapter



1 434 shall be assessed at a percentage of its actual  
2 value equal to the percentage of actual value at which  
3 commercial property is assessed for the same assessment  
4 year.

5 b. For valuations established on or after January  
6 1, 2012, commercial property, excluding properties  
7 referred to in section 427A.1, subsection 8, shall  
8 be assessed as a percentage of the actual value, as  
9 determined in this paragraph "b".

10 (1) For valuations established for the assessment  
11 year beginning January 1, 2012, the percentage of  
12 actual value as equalized by the director of revenue as  
13 provided in section 441.49 at which commercial property  
14 shall be assessed shall be ninety-five percent.

15 (2) For valuations established for the assessment  
16 year beginning January 1, 2013, the percentage of  
17 actual value as equalized by the director of revenue as  
18 provided in section 441.49 at which commercial property  
19 shall be assessed shall be ninety percent.

20 (3) For valuations established for the assessment  
21 year beginning January 1, 2014, the percentage of  
22 actual value as equalized by the director of revenue as  
23 provided in section 441.49 at which commercial property  
24 shall be assessed shall be eighty-five percent.

25 (4) For valuations established for the assessment  
26 year beginning January 1, 2015, the percentage of  
27 actual value as equalized by the director of revenue as  
28 provided in section 441.49 at which commercial property  
29 shall be assessed shall be eighty percent.

30 (5) For valuations established for the assessment  
31 year beginning January 1, 2016, and each assessment  
32 year thereafter, the percentage of actual value as  
33 equalized by the director of revenue as provided in  
34 section 441.49 at which commercial property shall be  
35 assessed shall be seventy-five percent.

36 c. For valuations established on or after January  
37 1, 2012, industrial property, excluding properties  
38 referred to in section 427A.1, subsection 8, shall  
39 be assessed as a percentage of the actual value, as  
40 determined in this paragraph "c".

41 (1) For valuations established for the assessment  
42 year beginning January 1, 2012, the percentage of  
43 actual value as equalized by the director of revenue as  
44 provided in section 441.49 at which industrial property  
45 shall be assessed shall be ninety-five percent.

46 (2) For valuations established for the assessment  
47 year beginning January 1, 2013, the percentage of  
48 actual value as equalized by the director of revenue as  
49 provided in section 441.49 at which industrial property  
50 shall be assessed shall be ninety percent.



1       (3) For valuations established for the assessment  
2 year beginning January 1, 2014, the percentage of  
3 actual value as equalized by the director of revenue as  
4 provided in section 441.49 at which industrial property  
5 shall be assessed shall be eighty-five percent.

6       (4) For valuations established for the assessment  
7 year beginning January 1, 2015, the percentage of  
8 actual value as equalized by the director of revenue as  
9 provided in section 441.49 at which industrial property  
10 shall be assessed shall be eighty percent.

11       (5) For valuations established for the assessment  
12 year beginning January 1, 2016, and each assessment  
13 year thereafter, the percentage of actual value as  
14 equalized by the director of revenue as provided in  
15 section 441.49 at which industrial property shall be  
16 assessed shall be seventy-five percent.

17       Sec. \_\_\_\_ . Section 441.21, Code 2011, is amended by  
18 adding the following new subsection:

19       NEW SUBSECTION. 13. Notwithstanding any provision  
20 of law to the contrary, beginning with valuations  
21 established on or after January 1, 2012, as used in  
22 this section, "residential property" includes that  
23 portion of a building or structure and a proportionate  
24 share of the land upon which the building or structure  
25 is situated that is used as a primary residence by  
26 the person who owns the building even if the use as  
27 a primary residence is not the primary use of the  
28 building or structure. Accordingly, the assessor  
29 may assign more than one classification to a parcel  
30 of property satisfying the requirements of this  
31 subsection.

32       Sec. \_\_\_\_ . NEW SECTION. 441.21A Commercial and  
33 industrial property tax replacement fund ---- annual  
34 legislative review.

35       1. a. There is created as a permanent fund  
36 in the office of the treasurer of state under the  
37 control of the department of management a fund to be  
38 known as the commercial and industrial property tax  
39 replacement fund, and for the purpose of establishing  
40 and maintaining this fund for each fiscal year there is  
41 appropriated thereto from funds in the general fund not  
42 otherwise appropriated the following amounts:

43       (1) For the fiscal year beginning July 1, 2013,  
44 thirty million dollars.

45       (2) For the fiscal year beginning July 1, 2014,  
46 sixty million dollars.

47       (3) For the fiscal year beginning July 1, 2015,  
48 ninety million dollars.

49       (4) For the fiscal year beginning July 1, 2016, one  
50 hundred twenty million dollars.



1 (5) For the fiscal year beginning July 1, 2017, and  
2 each fiscal year thereafter, one hundred fifty million  
3 dollars.

4 b. If an amount appropriated for a fiscal year  
5 is insufficient to pay all claims, the department of  
6 management shall prorate the disbursements from the  
7 fund to the county treasurers in the proportion that  
8 the total assessed value of commercial and industrial  
9 property located within the taxing district for taxes  
10 payable in that fiscal year bears to the total assessed  
11 value of all commercial and industrial property within  
12 the state and located in an eligible taxing district.  
13 The department of management shall notify the county  
14 auditors of the pro rata percentage on or before July  
15 15.

16 c. The replacement claims shall be paid to each  
17 county treasurer in equal installments in September  
18 and March of each year. The county treasurer shall  
19 apportion the replacement claim payments among the  
20 eligible taxing districts in the county.

21 d. Any balance in the commercial and industrial  
22 property tax replacement fund on June 30 shall be  
23 transferred to the taxpayers trust fund created in  
24 section 8.57E and used for the purposes specified in  
25 that section.

26 2. Beginning with the fiscal year beginning July  
27 1, 2013, each county treasurer shall be paid from the  
28 commercial and industrial property tax replacement fund  
29 an amount, subject to the limitations of this section,  
30 equal to the amount of the commercial and industrial  
31 property tax replacement claim, as calculated in  
32 subsection 4.

33 3. On or before March 1 of each year, the assessor  
34 shall determine the total assessed value of all  
35 commercial and industrial property assessed for taxes  
36 payable in the next fiscal year and the total assessed  
37 value of all commercial and industrial property  
38 assessed as of January 1, 2011, and shall report the  
39 valuations to the county auditor.

40 4. On or before May 15 of each year, the county  
41 auditor shall prepare a statement, based upon the  
42 report received pursuant to subsection 3, listing for  
43 each taxing district in the county:

44 a. Beginning with the assessment year beginning  
45 January 1, 2012, the difference between the assessed  
46 valuation of all commercial and industrial property  
47 for that year and the total assessed value of all  
48 commercial and industrial property assessed as of  
49 January 1, 2011. If the total assessed value of the  
50 property assessed as of January 1, 2011, is less,



1 there is no commercial and industrial property tax  
2 replacement for the fiscal year.

3 b. The tax levy rate for each taxing district for  
4 the current fiscal year. However, the applicable tax  
5 levy rate for a school district shall be the total of  
6 all levy rates for the school district for the current  
7 fiscal year excluding the foundation property tax levy  
8 under section 257.3, subsection 1.

9 c. The commercial and industrial property tax  
10 replacement claim for each taxing district. For  
11 fiscal years beginning on or after July 1, 2013, the  
12 replacement claim is equal to seventy-five percent  
13 of the amount determined pursuant to paragraph "a",  
14 multiplied by the tax rate specified in paragraph "b".

15 5. The county auditor shall certify and forward one  
16 copy of the statement to the department of management  
17 not later than July 1 of each year.

18 6. For purposes of determining replacement amounts  
19 under this section, that portion of an urban renewal  
20 area defined as the sum of the assessed valuations  
21 defined in section 403.19, subsections 1 and 2, shall  
22 be considered a taxing district. The amount of the  
23 replacement claim shall first be credited to the  
24 portion of assessed value defined in section 403.19,  
25 subsection 2. The amount not allocated to that portion  
26 of assessed value defined in section 403.19, subsection  
27 2, shall be credited to the portion of assessed value  
28 defined in section 403.19, subsection 1.

29 7. The committee on ways and means of the senate  
30 and the committee on ways and means of the house of  
31 representatives shall each conduct an annual review of  
32 the implementation and fiscal impact of the commercial,  
33 industrial, and railway property assessment limitations  
34 established under section 441.21, subsection 5, on  
35 local taxing authorities in this state.

36 Sec. \_\_\_\_\_. SAVINGS PROVISION. This division of this  
37 Act, pursuant to section 4.13, does not affect the  
38 operation of, or prohibit the application of, prior  
39 provisions of section 441.21, or rules adopted under  
40 chapter 17A to administer prior provisions of section  
41 441.21, for assessment years beginning before January  
42 1, 2012, and for duties, powers, protests, appeals,  
43 proceedings, actions, or remedies attributable to an  
44 assessment year beginning before January 1, 2012.

45 Sec. \_\_\_\_\_. APPLICABILITY. This division of this Act  
46 applies to property tax assessment years beginning on  
47 or after January 1, 2012.

48 DIVISION \_\_\_\_  
49 COUNTY AND CITY BUDGET LIMITATION

50 Sec. \_\_\_\_\_. Section 23A.2, subsection 10, paragraph



1 h, Code 2011, is amended to read as follows:

2 h. The performance of an activity listed in  
3 section 331.424, Code 2011, as a service ~~for~~ which a  
4 ~~supplemental levy county may be certified~~ include in  
5 its budget.

6 Sec. \_\_\_\_\_. Section 28M.5, subsection 2, Code 2011,  
7 is amended to read as follows:

8 2. If a regional transit district budget allocates  
9 revenue responsibilities to the board of supervisors  
10 of a participating county, the amount of the regional  
11 transit district levy that is the responsibility of the  
12 participating county shall be deducted from the maximum  
13 ~~rates~~ amount of taxes authorized to be levied by the  
14 county pursuant to section 331.423, ~~subsections 1 and~~  
15 ~~2~~ subsection 3, paragraphs "b" and "c", as applicable,  
16 unless the county meets its revenue responsibilities as  
17 allocated in the budget from other available revenue  
18 sources. However, for a regional transit district  
19 that includes a county with a population of less than  
20 three hundred thousand, the amount of the regional  
21 transit district levy that is the responsibility of  
22 such participating county shall be deducted from the  
23 maximum ~~rate~~ amount of taxes authorized to be levied  
24 by the county pursuant to section 331.423, subsection  
25 ~~±~~ 3, paragraph "b".

26 Sec. \_\_\_\_\_. Section 123.38, subsection 2, Code 2011,  
27 is amended to read as follows:

28 2. Any licensee or permittee, or the licensee's  
29 or permittee's executor or administrator, or any  
30 person duly appointed by the court to take charge of  
31 and administer the property or assets of the licensee  
32 or permittee for the benefit of the licensee's or  
33 permittee's creditors, may voluntarily surrender a  
34 license or permit to the division. When a license  
35 or permit is surrendered the division shall notify  
36 the local authority, and the division or the local  
37 authority shall refund to the person surrendering the  
38 license or permit, a proportionate amount of the fee  
39 received by the division or the local authority for  
40 the license or permit as follows: if a license or  
41 permit is surrendered during the first three months  
42 of the period for which it was issued, the refund  
43 shall be three-fourths of the amount of the fee;  
44 if surrendered more than three months but not more  
45 than six months after issuance, the refund shall be  
46 one-half of the amount of the fee; if surrendered more  
47 than six months but not more than nine months after  
48 issuance, the refund shall be one-fourth of the amount  
49 of the fee. No refund shall be made, however, for  
50 any special liquor permit, nor for a liquor control



1 license, wine permit, or beer permit surrendered more  
2 than nine months after issuance. For purposes of this  
3 subsection, any portion of license or permit fees  
4 used for the purposes authorized in section 331.424,  
5 subsection 1, paragraph "a", subparagraphs (1) and  
6 (2), Code 2011, and in section 331.424A, shall not be  
7 deemed received either by the division or by a local  
8 authority. No refund shall be made to any licensee or  
9 permittee, upon the surrender of the license or permit,  
10 if there is at the time of surrender, a complaint filed  
11 with the division or local authority, charging the  
12 licensee or permittee with a violation of this chapter.  
13 If upon a hearing on a complaint the license or permit  
14 is not revoked or suspended, then the licensee or  
15 permittee is eligible, upon surrender of the license  
16 or permit, to receive a refund as provided in this  
17 section; but if the license or permit is revoked or  
18 suspended upon hearing the licensee or permittee is not  
19 eligible for the refund of any portion of the license  
20 or permit fee.

21 Sec. \_\_\_\_\_. Section 218.99, Code 2011, is amended to  
22 read as follows:

23 218.99 Counties to be notified of patients' personal  
24 accounts.

25 The administrator in control of a state institution  
26 shall direct the business manager of each institution  
27 under the administrator's jurisdiction ~~which is~~  
28 ~~mentioned in section 331.424, subsection 1, paragraph~~  
29 ~~"a", subparagraphs (1) and (2), and for which services~~  
30 are paid under section 331.424A, to quarterly inform  
31 the county of legal settlement's entity designated to  
32 perform the county's central point of coordination  
33 process of any patient or resident who has an amount  
34 in excess of two hundred dollars on account in the  
35 patients' personal deposit fund and the amount on  
36 deposit. The administrators shall direct the business  
37 manager to further notify the entity designated to  
38 perform the county's central point of coordination  
39 process at least fifteen days before the release of  
40 funds in excess of two hundred dollars or upon the  
41 death of the patient or resident. If the patient or  
42 resident has no county of legal settlement, notice  
43 shall be made to the director of human services and the  
44 administrator in control of the institution involved.

45 Sec. \_\_\_\_\_. Section 331.263, subsection 2, Code 2011,  
46 is amended to read as follows:

47 2. The governing body of the community commonwealth  
48 shall have the authority to levy county taxes and shall  
49 have the authority to levy city taxes to the extent the  
50 city tax levy authority is transferred by the charter



1 to the community commonwealth. A city participating  
2 in the community commonwealth shall transfer a portion  
3 of the city's tax levy authorized under section 384.1  
4 or 384.12, whichever is applicable, to the governing  
5 body of the community commonwealth. The maximum  
6 ~~rates amount~~ of taxes authorized to be levied under  
7 ~~sections section~~ 384.1 and the maximum amount of taxes  
8 authorized to be levied under section 384.12 by a city  
9 participating in the community commonwealth shall be  
10 reduced by an amount equal to the rates of the same or  
11 similar taxes levied in the city by the governing body  
12 of the community commonwealth.

13 Sec. \_\_\_\_\_. Section 331.301, subsection 12, Code  
14 2011, is amended to read as follows:

15 12. The board of supervisors may credit funds to  
16 a reserve for the purposes authorized by subsection  
17 11 of this section; ~~section 331.424, subsection 1,~~  
18 ~~paragraph "a", subparagraph (6);~~ and section 331.441,  
19 subsection 2, paragraph "b". Moneys credited to the  
20 reserve, and interest earned on such moneys, shall  
21 remain in the reserve until expended for purposes  
22 authorized by subsection 11 of this section; ~~section~~  
23 ~~331.424, subsection 1, paragraph "a", subparagraph (6);~~  
24 or section 331.441, subsection 2, paragraph "b".

25 Sec. \_\_\_\_\_. Section 331.421, subsections 1 and 10,  
26 Code 2011, are amended by striking the subsections.

27 Sec. \_\_\_\_\_. Section 331.421, Code 2011, is amended by  
28 adding the following new subsection:

29 NEW SUBSECTION. 7A. "Item" means a budgeted  
30 expenditure, appropriation, or cash reserve from a  
31 fund for a service area, program, program element, or  
32 purpose.

33 Sec. \_\_\_\_\_. Section 331.423, Code 2011, is amended by  
34 striking the section and inserting in lieu thereof the  
35 following:

36 331.423 Property tax dollars ---- maximums.

37 1. Annually, the board shall determine separate  
38 property tax levy limits to pay for general county  
39 services and rural county services in accordance with  
40 this section. The property tax levies separately  
41 certified for general county services and rural county  
42 services under section 331.434 shall not raise property  
43 tax dollars that exceed the amount determined under  
44 this section.

45 2. For purposes of this section and section  
46 331.423B, unless the context otherwise requires:

47 a. "Annual growth factor" means an index, expressed  
48 as a percentage, determined by the department of  
49 management by January 1 of the calendar year in which  
50 the budget year begins. In determining the annual



1 growth factor, the department shall calculate the  
2 average of the preceding twelve-month percentage  
3 change, which shall be computed on a monthly basis,  
4 in the midwest consumer price index, ending with the  
5 percentage change for the month of November. The  
6 department shall then add that average percentage  
7 change to one hundred percent. In no case, however,  
8 shall the annual growth factor exceed one hundred four  
9 percent.

10 b. "Boundary adjustment" means annexation,  
11 severance, incorporation, or discontinuance as those  
12 terms are defined in section 368.1.

13 c. "Budget year" is the fiscal year beginning  
14 during the calendar year in which a budget is  
15 certified.

16 d. "Current fiscal year" is the fiscal year  
17 ending during the calendar year in which a budget is  
18 certified.

19 e. "Net new valuation taxes" means the amount of  
20 property tax dollars equal to the current fiscal year's  
21 levy rate in the county for general county services or  
22 for rural county services, as applicable, multiplied by  
23 the increase from the current fiscal year to the budget  
24 year in taxable valuation due to the following:

25 (1) Net new construction, excluding all incremental  
26 valuation that is released in any one year from a  
27 division of revenue under section 260E.4 or an urban  
28 renewal area for which taxes were being divided under  
29 section 403.19 if the property for the valuation being  
30 released remains subject to the division of revenue  
31 under section 260E.4 or remains part of the urban  
32 renewal area that is subject to a division of revenue  
33 under section 403.19.

34 (2) Additions or improvements to existing  
35 structures.

36 (3) Remodeling of existing structures for which a  
37 building permit is required.

38 (4) Net boundary adjustment.

39 (5) A municipality no longer dividing tax revenues  
40 in an urban renewal area as provided in section 403.19  
41 or a community college no longer dividing revenues as  
42 provided in section 260E.4.

43 (6) That portion of taxable property located in an  
44 urban revitalization area on which an exemption was  
45 allowed and such exemption has expired.

46 3. a. For the fiscal year beginning July 1, 2012,  
47 and subsequent fiscal years, the maximum amount of  
48 property tax dollars which may be certified for levy by  
49 a county for general county services and rural county  
50 services shall be the maximum property tax dollars



1 calculated under paragraphs "b" and "c", respectively.

2 b. The maximum property tax dollars that may be  
3 levied for general county services is an amount,  
4 following the subtraction of replacement claim amounts  
5 to be received under section 441.21A during the budget  
6 year that are the result of the levy rate for general  
7 county services, equal to the sum of the following:

8 (1) The annual growth factor times the sum of the  
9 current fiscal year's maximum property tax dollars  
10 for general county services and the amount of all  
11 replacement claim amounts received under section  
12 441.21A during the current fiscal year that are the  
13 result of the levy rate for general county services.

14 (2) The amount of net new valuation taxes in the  
15 county.

16 c. The maximum property tax dollars that may  
17 be levied for rural county services is an amount,  
18 following the subtraction of replacement claim amounts  
19 to be received under section 441.21A during the budget  
20 year that are the result of the levy rate for rural  
21 county services, equal to the sum of the following:

22 (1) The annual growth factor times the sum of the  
23 current fiscal year's maximum property tax dollars for  
24 rural county services and the amount of all replacement  
25 claim amounts received under section 441.21A during the  
26 current fiscal year that are the result of the levy  
27 rate for rural county services.

28 (2) The amount of net new valuation taxes in the  
29 unincorporated area of the county.

30 4. a. For purposes of calculating maximum property  
31 tax dollars for general county services for the fiscal  
32 year beginning July 1, 2012, only, the term "current  
33 fiscal year's maximum property tax dollars" shall mean  
34 the total amount of property tax dollars certified by  
35 the county for general county services for the fiscal  
36 year beginning July 1, 2011.

37 b. For purposes of calculating maximum property tax  
38 dollars for rural county services for the fiscal year  
39 beginning July 1, 2012, only, the term "current fiscal  
40 year's maximum property tax dollars" shall mean the  
41 total amount of property tax dollars certified by the  
42 county for rural county services for the fiscal year  
43 beginning July 1, 2011.

44 5. Property taxes certified for deposit in the  
45 mental health, mental retardation, and developmental  
46 disabilities services fund in section 331.424A, the  
47 emergency services fund in section 331.424C, the debt  
48 service fund in section 331.430, any capital projects  
49 fund established by the county for deposit of bond,  
50 loan, or note proceeds, and any temporary increase



1 approved pursuant to section 331.424, are not included  
2 in the maximum amount of property tax dollars that may  
3 be certified for a budget year under subsection 3.

4 6. The department of management, in consultation  
5 with the county finance committee, shall adopt rules  
6 to administer this section. The department shall  
7 prescribe forms to be used by counties when making  
8 calculations required by this section.

9 Sec. \_\_\_\_ . NEW SECTION. 331.423B Ending fund  
10 balance.

11 1. a. Budgeted ending fund balances for a budget  
12 year in excess of twenty-five percent of budgeted  
13 expenditures in either the general fund or rural  
14 services fund for that budget year shall be explicitly  
15 reserved or designated for a specific purpose.

16 b. A county is encouraged, but not required, to  
17 reduce budgeted, unreserved, or undesignated ending  
18 fund balances for the budget year to an amount equal  
19 to approximately twenty-five percent of budgeted  
20 expenditures and transfers from the general fund  
21 and rural services fund for that budget year unless  
22 a decision is certified by the state appeal board  
23 ordering a reduction in the ending fund balance of any  
24 of those funds.

25 c. In a protest to the county budget under section  
26 331.436, the county shall have the burden of proving  
27 that the budgeted balances in excess of twenty-five  
28 percent are reasonably likely to be appropriated for  
29 the explicitly reserved or designated specific purpose.  
30 The excess budgeted balance for the specific purpose  
31 shall be considered an increase in an item in the  
32 budget for purposes of section 24.28.

33 2. a. For a county that has, as of June 30, 2011,  
34 reduced its actual ending fund balance to less than  
35 twenty-five percent of actual expenditures, additional  
36 property taxes may be computed and levied as provided  
37 in this subsection. The additional property tax levy  
38 amount is an amount not to exceed twenty-five percent  
39 of actual expenditures from the general fund and rural  
40 services fund for the fiscal year beginning July 1,  
41 2010, minus the combined ending fund balances for those  
42 funds for that year.

43 b. The amount of the additional property taxes  
44 shall be apportioned between the general fund and the  
45 rural services fund. However, the amount apportioned  
46 for general county services and for rural county  
47 services shall not exceed for each fund twenty-five  
48 percent of actual expenditures for the fiscal year  
49 beginning July 1, 2010.

50 c. All or a portion of additional property tax



1 dollars may be levied for the purpose of increasing  
2 cash reserves for general county services and rural  
3 county services in the budget year. The additional  
4 property tax dollars authorized under this subsection  
5 but not levied may be carried forward as unused ending  
6 fund balance taxing authority until and for the fiscal  
7 year beginning July 1, 2017. The amount carried  
8 forward shall not exceed twenty-five percent of the  
9 maximum amount of property tax dollars available in  
10 the current fiscal year. Additionally, property taxes  
11 that are levied as unused ending fund balance taxing  
12 authority under this subsection may be the subject of  
13 a protest under section 331.436, and the amount will  
14 be considered an increase in an item in the budget for  
15 purposes of section 24.28. The amount of additional  
16 property taxes levied under this subsection shall not  
17 be included in the computation of the maximum amount of  
18 property tax dollars which may be certified and levied  
19 under section 331.423.

20 Sec. \_\_\_\_\_. Section 331.424, Code 2011, is amended by  
21 striking the section and inserting in lieu thereof the  
22 following:

23 331.424 Authority to levy beyond maximum property  
24 tax dollars.

25 1. The board may certify additions to the maximum  
26 amount of property tax dollars to be levied for  
27 a period of time not to exceed two years if the  
28 proposition has been submitted at a special election  
29 and received a favorable majority of the votes cast on  
30 the proposition.

31 2. The special election is subject to the  
32 following:

33 a. The board must give at least thirty-two days'  
34 notice to the county commissioner of elections that the  
35 special election is to be held. In no case, however,  
36 shall a notice be given to the county commissioner  
37 of elections after December 31 for an election on a  
38 proposition to exceed the statutory limits during the  
39 fiscal year beginning in the next calendar year.

40 b. The special election shall be conducted by the  
41 county commissioner of elections in accordance with  
42 law.

43 c. The proposition to be submitted shall be  
44 substantially in the following form:

45 Vote "yes" or "no" on the following: Shall the  
46 county of \_\_\_\_\_ levy for an additional \$\_\_\_\_\_ each  
47 year for \_\_\_ years beginning July 1, \_\_\_\_\_, in excess  
48 of the statutory limits otherwise applicable for the  
49 (general county services or rural services) fund?

50 d. The canvass shall be held beginning at 1:00 p.m.



1 on the second day which is not a holiday following the  
2 special election.

3 e. Notice of the special election shall be  
4 published at least once in a newspaper as specified  
5 in section 331.305 prior to the date of the special  
6 election. The notice shall appear as early as  
7 practicable after the board has voted to submit a  
8 proposition to the voters to levy additional property  
9 tax dollars.

10 3. Registered voters in the county may vote on the  
11 proposition to increase property taxes for the general  
12 fund in excess of the statutory limit. Registered  
13 voters residing outside the corporate limits of a  
14 city within the county may vote on the proposition to  
15 increase property taxes for the rural services fund in  
16 excess of the statutory limit.

17 4. The amount of additional property tax dollars  
18 certified under this section shall not be included in  
19 the computation of the maximum amount of property tax  
20 dollars which may be certified and levied under section  
21 331.423.

22 Sec. \_\_\_\_\_. Section 331.424A, subsection 4, Code  
23 2011, is amended to read as follows:

24 4. For the fiscal year beginning July 1, 1996,  
25 and for each subsequent fiscal year, the county shall  
26 certify a levy for payment of services. For each  
27 fiscal year, county revenues from taxes imposed by the  
28 county credited to the services fund shall not exceed  
29 an amount equal to the amount of base year expenditures  
30 for services as defined in section 331.438, less the  
31 amount of property tax relief to be received pursuant  
32 to section 426B.2, in the fiscal year for which the  
33 budget is certified. The county auditor and the  
34 board of supervisors shall reduce the amount of the  
35 levy certified for the services fund by the amount of  
36 property tax relief to be received. A levy certified  
37 under this section is not subject to ~~the appeal~~  
38 ~~provisions of section 331.426 or to any other provision~~  
39 in law authorizing a county to exceed, increase, or  
40 appeal a property tax levy limit.

41 Sec. \_\_\_\_\_. Section 331.427, subsection 3, paragraph  
42 1, Code 2011, is amended to read as follows:

43 1. Services listed in section 331.424, subsection  
44 1, Code 2011, and section 331.554.

45 Sec. \_\_\_\_\_. Section 331.428, subsection 2, paragraph  
46 d, Code 2011, is amended to read as follows:

47 d. Services listed under section 331.424,  
48 subsection 2, Code 2011.

49 Sec. \_\_\_\_\_. Section 331.434, subsection 1, Code 2011,  
50 is amended to read as follows:



1 1. The budget shall show the amount required for  
2 each class of proposed expenditures, a comparison of  
3 the amounts proposed to be expended with the amounts  
4 expended for like purposes for the two preceding years,  
5 the revenues from sources other than property taxation,  
6 and the amount to be raised by property taxation, in  
7 the detail and form prescribed by the director of the  
8 department of management. For each county that has  
9 established an urban renewal area, the budget shall  
10 include estimated and actual tax increment financing  
11 revenues and all estimated and actual expenditures of  
12 the revenues, proceeds from debt and all estimated  
13 and actual expenditures of the debt proceeds, and  
14 identification of any entity receiving a direct payment  
15 of taxes funded by tax increment financing revenues  
16 and shall include the total amount of loans, advances,  
17 indebtedness, or bonds outstanding at the close of  
18 the most recently ended fiscal year, which qualify  
19 for payment from the special fund created in section  
20 403.19, including interest negotiated on such loans,  
21 advances, indebtedness, or bonds. For purposes of this  
22 subsection, "indebtedness" includes written agreements  
23 whereby the county agrees to suspend, abate, exempt,  
24 rebate, refund, or reimburse property taxes, provide a  
25 grant for property taxes paid, or make a direct payment  
26 of taxes, with moneys in the special fund. The amount  
27 of loans, advances, indebtedness, or bonds shall be  
28 listed in the aggregate for each county reporting. ~~The~~  
29 ~~county finance committee, in consultation with the~~  
30 ~~department of management and the legislative services~~  
31 ~~agency, shall determine reporting criteria and shall~~  
32 ~~prepare a form for reports filed with the department~~  
33 ~~pursuant to this section. The department shall make~~  
34 ~~the information available by electronic means.~~

35 Sec. \_\_\_\_\_. Section 373.10, Code 2011, is amended to  
36 read as follows:

37 373.10 Taxing authority.

38 The metropolitan council shall have the authority  
39 to levy city taxes to the extent the city tax levy  
40 authority is transferred by the charter to the  
41 metropolitan council. A member city shall transfer  
42 a portion of the city's tax levy authorized under  
43 section 384.1 or 384.12, whichever is applicable, to  
44 the metropolitan council. The maximum ~~rates~~ amount of  
45 taxes authorized to be levied under ~~sections~~ section  
46 384.1 and the taxes authorized to be levied under  
47 section 384.12 by a member city shall be reduced by an  
48 amount equal to the rates of the same or similar taxes  
49 levied in the city by the metropolitan council.

50 Sec. \_\_\_\_\_. Section 384.1, Code 2011, is amended by



1 striking the section and inserting in lieu thereof the  
2 following:

3 384.1 Property tax dollars ---- maximums.

4 1. A city shall certify taxes to be levied by the  
5 city on all taxable property within the city limits,  
6 for all city government purposes. Annually, the  
7 city council may certify levies for city government  
8 purposes, subject to the limitation on property tax  
9 dollars provided in this section.

10 2. For purposes of this section and section 384.1B,  
11 unless the context otherwise requires:

12 a. "Annual growth factor" means an index, expressed  
13 as a percentage, determined by the department of  
14 management by January 1 of the calendar year in which  
15 the budget year begins. In determining the annual  
16 growth factor, the department shall calculate the  
17 average of the preceding twelve-month percentage  
18 change, which shall be computed on a monthly basis,  
19 in the midwest consumer price index, ending with the  
20 percentage change for the month of November. The  
21 department shall then add that average percentage  
22 change to one hundred percent. In no case, however,  
23 shall the annual growth factor exceed one hundred four  
24 percent.

25 b. "Boundary adjustment" means annexation,  
26 severance, incorporation, or discontinuance as those  
27 terms are defined in section 368.1.

28 c. "Budget year" is the fiscal year beginning  
29 during the calendar year in which a budget is  
30 certified.

31 d. "Current fiscal year" is the fiscal year  
32 ending during the calendar year in which a budget is  
33 certified.

34 e. "Net new valuation taxes" means the amount of  
35 property tax dollars equal to the current fiscal year's  
36 levy rate in the city for the general fund and for the  
37 trust and agency funds under section 384.6, subsection  
38 1, multiplied by the increase from the current fiscal  
39 year to the budget year in taxable valuation due to the  
40 following:

41 (1) Net new construction, excluding all incremental  
42 valuation that is released in any one year from a  
43 division of revenue under section 260E.4 or an urban  
44 renewal area for which taxes were being divided under  
45 section 403.19 if the property for the valuation being  
46 released remains subject to the division of revenue  
47 under section 260E.4 or remains part of the urban  
48 renewal area that is subject to a division of revenue  
49 under section 403.19.

50 (2) Additions or improvements to existing



1 structures.

2 (3) Remodeling of existing structures for which a  
3 building permit is required.

4 (4) Net boundary adjustment.

5 (5) A municipality no longer dividing tax revenues  
6 in an urban renewal area as provided in section 403.19  
7 or a community college no longer dividing revenues as  
8 provided in section 260E.4.

9 (6) That portion of taxable property located in an  
10 urban revitalization area on which an exemption was  
11 allowed and such exemption has expired.

12 3. a. For the fiscal year beginning July 1, 2012,  
13 and subsequent fiscal years, the maximum amount of  
14 property tax dollars which may be certified for levy by  
15 a city for the general fund and for the city's trust  
16 and agency funds under section 384.6, subsection 1,  
17 shall be the maximum property tax dollars calculated  
18 under paragraph "b".

19 b. The maximum property tax dollars that may be  
20 levied for deposit in the general fund and the city's  
21 trust and agency funds under section 384.6, subsection  
22 1, is an amount, following the subtraction of  
23 replacement claim amounts to be received under section  
24 441.21A during the budget year that are the result of  
25 the levy rates for the general fund and for the trust  
26 and agency funds under section 384.6, subsection 1,  
27 equal to the sum of the following:

28 (1) The annual growth factor times the sum of the  
29 current fiscal year's maximum property tax dollars  
30 for the general fund, the trust and agency funds  
31 under section 384.6, subsection 1, and the amount of  
32 all replacement claim amounts received under section  
33 441.21A during the current fiscal year that are the  
34 result of the levy rates for the general fund and  
35 for the trust and agency funds under section 384.6,  
36 subsection 1.

37 (2) The amount of net new valuation taxes in the  
38 city.

39 4. For purposes of calculating maximum property tax  
40 dollars for the city general fund for the fiscal year  
41 beginning July 1, 2012, only, the term "current fiscal  
42 year's maximum property tax dollars" shall mean the sum  
43 of the total amount of property tax dollars certified  
44 by the city for the city's general fund and the city's  
45 trust and agency funds under section 384.6, subsection  
46 1, for the fiscal year beginning July 1, 2011.

47 5. Property taxes certified for deposit in the debt  
48 service fund in section 384.4, capital improvements  
49 reserve fund in section 384.7, the emergency fund in  
50 section 384.8, any capital projects fund established by



1 the city for deposit of bond, loan, or note proceeds,  
2 any temporary increase approved pursuant to section  
3 384.12A, property taxes collected from a voted levy  
4 in section 384.12, and property taxes levied under  
5 section 384.12, subsection 18, are not counted against  
6 the maximum amount of property tax dollars that may be  
7 certified for a fiscal year under subsection 3.

8 6. Notwithstanding the maximum amount of taxes  
9 a city may certify for levy, the tax levied by a  
10 city on tracts of land and improvements on the  
11 tracts of land used and assessed for agricultural or  
12 horticultural purposes shall not exceed three dollars  
13 and three-eighths cents per thousand dollars of  
14 assessed value in any year. Improvements located on  
15 such tracts of land and not used for agricultural or  
16 horticultural purposes and all residential dwellings  
17 are subject to the same rate of tax levied by the city  
18 on all other taxable property within the city.

19 7. The department of management, in consultation  
20 with the city finance committee, shall adopt rules  
21 to administer this section. The department shall  
22 prescribe forms to be used by cities when making  
23 calculations required by this section.

24 Sec. \_\_\_\_ . NEW SECTION. 384.1B Ending fund balance.

25 1. a. Budgeted ending fund balances for a budget  
26 year in excess of twenty-five percent of budgeted  
27 expenditures from the general fund for that budget  
28 year shall be explicitly reserved or designated for a  
29 specific purpose.

30 b. A city is encouraged, but not required, to  
31 reduce budgeted, unreserved, or undesignated ending  
32 fund balances for the budget year to an amount equal  
33 to approximately twenty-five percent of budgeted  
34 expenditures and transfers from the general fund for  
35 that budget year unless a decision is certified by the  
36 state appeal board ordering a reduction in the ending  
37 fund balance of the fund.

38 c. In a protest to the city budget under section  
39 384.19, the city shall have the burden of proving  
40 that the budgeted balances in excess of twenty-five  
41 percent are reasonably likely to be appropriated for  
42 the explicitly reserved or designated specific purpose.  
43 The excess budgeted balance for the specific purpose  
44 shall be considered an increase in an item in the  
45 budget for purposes of section 24.28.

46 2. a. For a city that has, as of June 30,  
47 2011, reduced its ending fund balance to less than  
48 twenty-five percent of actual expenditures, additional  
49 property taxes may be computed and levied as provided  
50 in this subsection. The additional property tax levy



1 amount is an amount not to exceed the difference  
2 between twenty-five percent of actual expenditures for  
3 city government purposes for the fiscal year beginning  
4 July 1, 2010, minus the ending fund balance for that  
5 year.

6 b. All or a portion of additional property tax  
7 dollars may be levied for the purpose of increasing  
8 cash reserves for city government purposes in the  
9 budget year. The additional property tax dollars  
10 authorized under this subsection but not levied may be  
11 carried forward as unused ending fund balance taxing  
12 authority until and for the fiscal year beginning  
13 July 1, 2017. The amount carried forward shall not  
14 exceed twenty-five percent of the maximum amount of  
15 property tax dollars available in the current fiscal  
16 year. Additionally, property taxes that are levied  
17 as unused ending fund balance taxing authority under  
18 this subsection may be the subject of a protest under  
19 section 384.19, and the amount will be considered an  
20 increase in an item in the budget for purposes of  
21 section 24.28. The amount of additional property tax  
22 dollars levied under this subsection shall not be  
23 included in the computation of the maximum amount of  
24 property tax dollars which may be certified and levied  
25 under section 384.1.

26 Sec. \_\_\_\_\_. Section 384.6, subsection 1, unnumbered  
27 paragraph 1, Code 2011, is amended to read as follows:

28 Accounting for pension and related employee benefit  
29 funds as provided by the city finance committee. A  
30 city may, subject to the limitations of section 384.1,  
31 certify taxes to be levied for a trust and agency fund  
32 in the amount necessary to meet its obligations.

33 Sec. \_\_\_\_\_. Section 384.12, subsection 20, Code 2011,  
34 is amended by striking the subsection.

35 Sec. \_\_\_\_\_. NEW SECTION. 384.12A Authority to levy  
36 beyond maximum property tax dollars.

37 1. The city council may certify additions to the  
38 maximum amount of property tax dollars to be levied  
39 for a period of time not to exceed two years if the  
40 proposition has been submitted at a special election  
41 and received a favorable majority of the votes cast on  
42 the proposition.

43 2. The special election is subject to the  
44 following:

45 a. The city council must give at least thirty-two  
46 days' notice to the county commissioner of elections  
47 that the special election is to be held. In no  
48 case, however, shall a notice be given to the county  
49 commissioner of elections after December 31 for an  
50 election on a proposition to exceed the statutory



1 limits during the fiscal year beginning in the next  
2 calendar year.

3 b. The special election shall be conducted by the  
4 county commissioner of elections in accordance with  
5 law.

6 c. The proposition to be submitted shall be  
7 substantially in the following form:

8 Vote "yes" or "no" on the following: Shall the city  
9 of \_\_\_\_\_ levy for an additional \$\_\_\_\_\_ each year  
10 for \_\_\_ years beginning next July 1, \_\_\_\_, in excess of  
11 the statutory limits otherwise applicable for the city  
12 general fund and the city trust and agency funds?

13 d. The canvass shall be held beginning at 1:00 p.m.  
14 on the second day which is not a holiday following the  
15 special election.

16 e. Notice of the special election shall be  
17 published at least once in a newspaper as specified  
18 in section 362.3 prior to the date of the special  
19 election. The notice shall appear as early as  
20 practicable after the city council has voted to submit  
21 a proposition to the voters to levy additional property  
22 tax dollars.

23 3. The amount of additional property tax dollars  
24 certified under this section shall not be included in  
25 the computation of the maximum amount of property tax  
26 dollars which may be certified and levied under section  
27 384.1.

28 Sec. \_\_\_\_\_. Section 384.16, subsection 1, paragraph  
29 b, Code 2011, is amended to read as follows:

30 b. A budget must show comparisons between the  
31 estimated expenditures in each program in the following  
32 year, the latest estimated expenditures in each program  
33 in the current year, and the actual expenditures in  
34 each program from the annual report as provided in  
35 section 384.22, or as corrected by a subsequent audit  
36 report. Wherever practicable, as provided in rules  
37 of the committee, a budget must show comparisons  
38 between the levels of service provided by each program  
39 as estimated for the following year, and actual  
40 levels of service provided by each program during  
41 the two preceding years. For each city that has  
42 established an urban renewal area, the budget shall  
43 include estimated and actual tax increment financing  
44 revenues and all estimated and actual expenditures of  
45 the revenues, proceeds from debt and all estimated  
46 and actual expenditures of the debt proceeds, and  
47 identification of any entity receiving a direct payment  
48 of taxes funded by tax increment financing revenues  
49 and shall include the total amount of loans, advances,  
50 indebtedness, or bonds outstanding at the close of



1 the most recently ended fiscal year, which qualify  
2 for payment from the special fund created in section  
3 403.19, including interest negotiated on such loans,  
4 advances, indebtedness, or bonds. The amount of loans,  
5 advances, indebtedness, or bonds shall be listed in the  
6 aggregate for each city reporting. ~~The city finance~~  
7 ~~committee, in consultation with the department of~~  
8 ~~management and the legislative services agency, shall~~  
9 ~~determine reporting criteria and shall prepare a form~~  
10 ~~for reports filed with the department pursuant to this~~  
11 ~~section. The department shall make the information~~  
12 ~~available by electronic means.~~

13 Sec. \_\_\_\_\_. Section 384.19, Code 2011, is amended by  
14 adding the following new unnumbered paragraph:

15 NEW UNNUMBERED PARAGRAPH For purposes of a tax  
16 protest filed under this section, "item" means a  
17 budgeted expenditure, appropriation, or cash reserve  
18 from a fund for a service area, program, program  
19 element, or purpose.

20 Sec. \_\_\_\_\_. Section 386.8, Code 2011, is amended to  
21 read as follows:

22 386.8 Operation tax.

23 A city may establish a self-supported improvement  
24 district operation fund, and may certify taxes not  
25 to exceed the rate limitation as established in the  
26 ordinance creating the district, or any amendment  
27 thereto, each year to be levied for the fund against  
28 all of the property in the district, for the purpose  
29 of paying the administrative expenses of the district,  
30 which may include but are not limited to administrative  
31 personnel salaries, a separate administrative office,  
32 planning costs including consultation fees, engineering  
33 fees, architectural fees, and legal fees and all other  
34 expenses reasonably associated with the administration  
35 of the district and the fulfilling of the purposes of  
36 the district. The taxes levied for this fund may also  
37 be used for the purpose of paying maintenance expenses  
38 of improvements or self-liquidating improvements for a  
39 specified length of time with one or more options to  
40 renew if such is clearly stated in the petition which  
41 requests the council to authorize construction of the  
42 improvement or self-liquidating improvement, whether  
43 or not such petition is combined with the petition  
44 requesting creation of a district. Parcels of property  
45 which are assessed as residential property for property  
46 tax purposes are exempt from the tax levied under this  
47 section except residential properties within a duly  
48 designated historic district. A tax levied under  
49 this section is not subject to the ~~levy~~ limitation in  
50 section 384.1.



1 Sec. \_\_\_\_\_. Section 386.9, Code 2011, is amended to  
2 read as follows:

3 386.9 Capital improvement tax.

4 A city may establish a capital improvement fund  
5 for a district and may certify taxes, not to exceed  
6 the rate established by the ordinance creating the  
7 district, or any subsequent amendment thereto,  
8 each year to be levied for the fund against all of  
9 the property in the district, for the purpose of  
10 accumulating moneys for the financing or payment  
11 of a part or all of the costs of any improvement or  
12 self-liquidating improvement. However, parcels of  
13 property which are assessed as residential property  
14 for property tax purposes are exempt from the tax  
15 levied under this section except residential properties  
16 within a duly designated historic district. A tax  
17 levied under this section is not subject to the ~~levy~~  
18 limitations in section 384.1 or 384.7.

19 Sec. \_\_\_\_\_. REPEAL. Sections 331.425 and 331.426,  
20 Code 2011, are repealed.

21 Sec. \_\_\_\_\_. APPLICABILITY. This division of this  
22 Act applies to fiscal years beginning on or after July  
23 1, 2012.

24 DIVISION \_\_\_\_  
25 INCOME TAX

26 EARNED INCOME TAX CREDIT

27 Sec. \_\_\_\_\_. Section 422.12B, subsection 1, Code 2011,  
28 is amended to read as follows:

29 1. The taxes imposed under this division less the  
30 credits allowed under section 422.12 shall be reduced  
31 by an earned income credit equal to ~~seven~~ ten percent  
32 of the federal earned income credit provided in section  
33 32 of the Internal Revenue Code. Any credit in excess  
34 of the tax liability is refundable.

35 Sec. \_\_\_\_\_. RETROACTIVE APPLICABILITY. This division  
36 of this Act applies retroactively to January 1, 2011,  
37 for tax years beginning on or after that date.

38 DIVISION \_\_\_\_  
39 INCOME TAX

40 SCHOOL TUITION ORGANIZATION TAX CREDITS

41 Sec. \_\_\_\_\_. Section 422.11S, subsection 7, paragraph  
42 a, subparagraph (2), Code 2011, is amended to read as  
43 follows:

44 (2) "Total approved tax credits" means ~~for the~~  
45 ~~tax year beginning in the 2006 calendar year, two~~  
46 ~~million five hundred thousand dollars, for the tax~~  
47 ~~year beginning in the 2007 calendar year, five million~~  
48 ~~dollars, and for tax years beginning on or after~~  
49 ~~January 1, 2008, seven million five hundred thousand~~  
50 ~~dollars.~~ the following:



1 (a) For tax years beginning on or after January 1,  
2 2008, and before January 1, 2012, seven million five  
3 hundred thousand dollars.

4 (b) For the tax year beginning on or after January  
5 1, 2012, and before January 1, 2013, eight million  
6 seven hundred fifty thousand dollars.

7 (c) For tax years beginning on or after January 1,  
8 2013, ten million dollars.

9 DIVISION \_\_\_\_

10 INCOME TAX

11 TEACHER EXPENSES

12 Sec. \_\_\_\_ . Section 422.7, Code 2011, is amended by  
13 adding the following new subsection:

14 NEW SUBSECTION. 54. A taxpayer is allowed to  
15 take the deduction for certain expenses of elementary  
16 and secondary school teachers allowed under section  
17 62(a)(2)(D) of the Internal Revenue Code, as amended  
18 by the federal Emergency Economic Stabilization Act of  
19 2008, Pub. L. No. 110-343, in computing net income for  
20 state tax purposes.

21 Sec. \_\_\_\_ . REFUNDS. Notwithstanding any provision  
22 to the contrary in section 422.25, subsection 3,  
23 a taxpayer who files an amended return in the time  
24 permitted by statute to claim a refund related to the  
25 allowance of the deduction enacted in this division of  
26 this Act is only entitled to a refund of the amount  
27 paid that is in excess of tax liability. The taxpayer  
28 shall not be entitled to interest on such excess.

29 Sec. \_\_\_\_ . EFFECTIVE DATE AND RETROACTIVE  
30 APPLICABILITY. This division of this Act, being deemed  
31 of immediate importance, takes effect upon enactment  
32 and applies retroactively to January 1, 2008, for  
33 tax years beginning on or after that date and before  
34 January 1, 2009.

35 DIVISION \_\_\_\_

36 INCOME TAX

37 QUALIFIED HIGHER EDUCATION EXPENSES

38 Sec. \_\_\_\_ . Section 422.7, Code 2011, is amended by  
39 adding the following new subsection:

40 NEW SUBSECTION. 54. A taxpayer is allowed to  
41 take the deduction for qualified tuition and related  
42 expenses allowed under section 222 of the Internal  
43 Revenue Code, as amended by the federal Emergency  
44 Economic Stabilization Act of 2008, Pub. L. No.  
45 110-343, in computing net income for state tax  
46 purposes.

47 Sec. \_\_\_\_ . REFUNDS. Notwithstanding any provision  
48 to the contrary in section 422.25, subsection 3,  
49 a taxpayer who files an amended return in the time  
50 permitted by statute to claim a refund related to the



1 allowance of the deduction enacted in this division of  
2 this Act is only entitled to a refund of the amount  
3 paid that is in excess of tax liability. The taxpayer  
4 shall not be entitled to interest on such excess.

5 Sec. \_\_\_\_ EFFECTIVE DATE AND RETROACTIVE  
6 APPLICABILITY. This division of this Act, being deemed  
7 of immediate importance, takes effect upon enactment  
8 and applies retroactively to January 1, 2008, for  
9 tax years beginning on or after that date and before  
10 January 1, 2009.

11 DIVISION \_\_\_\_  
12 INCOME TAX

13 STATE SALES/USE TAX DEDUCTION

14 Sec. \_\_\_\_ Section 422.9, subsection 2, paragraph i,  
15 Code 2011, is amended to read as follows:

16 i. The deduction for state sales and use taxes  
17 is allowable only if the taxpayer elected to deduct  
18 the state sales and use taxes in lieu of state income  
19 taxes under section 164 of the Internal Revenue Code.  
20 A deduction for state sales and use taxes is not  
21 allowed if the taxpayer has taken the deduction for  
22 state income taxes or claimed the standard deduction  
23 under section 63 of the Internal Revenue Code. This  
24 paragraph applies to taxable years beginning after  
25 December 31, 2003, and before January 1, ~~2006~~ 2009, and  
26 to taxable years beginning after December 31, 2009, and  
27 before January 1, 2012.

28 Sec. \_\_\_\_ REFUNDS. Notwithstanding any provision  
29 to the contrary in section 422.25, subsection 3,  
30 a taxpayer who files an amended return in the time  
31 permitted by statute to claim a refund related to the  
32 allowance of the deduction enacted in this division of  
33 this Act is only entitled to a refund of the amount  
34 paid that is in excess of tax liability. The taxpayer  
35 shall not be entitled to interest on such excess.

36 Sec. \_\_\_\_ EFFECTIVE DATE AND RETROACTIVE  
37 APPLICABILITY. This division of this Act, being deemed  
38 of immediate importance, takes effect upon enactment  
39 and applies retroactively to tax years beginning on or  
40 after January 1, 2006, and before January 1, 2009, and  
41 to tax years beginning on or after January 1, 2010, and  
42 before January 1, 2012.

43 DIVISION \_\_\_\_  
44 INCOME TAX

45 SPECIAL FILING PROVISIONS

46 Sec. \_\_\_\_ SPECIAL FILING PROVISIONS.  
47 1. Adjustments by individuals to federal adjusted  
48 gross income and by corporations to federal taxable  
49 income for tax returns filed prior to the enactment of  
50 2011 Iowa Acts, [Senate File 512](#), may be required as a



1 result of the provisions of divisions \_\_\_ through \_\_\_  
2 of this Act. These adjustments are as follows:

3 a. The increased expensing allowance authorized in  
4 section 179(b) of the Internal Revenue Code for tax  
5 years beginning on or after January 1, 2010, but before  
6 January 1, 2011.

7 b. The deduction for qualified tuition and related  
8 expenses allowed under section 222 of the Internal  
9 Revenue Code.

10 c. The deduction for certain expenses of elementary  
11 and secondary school teachers allowed under section  
12 62(a)(2)(D) of the Internal Revenue Code.

13 2. In lieu of filing an amended tax return,  
14 taxpayers may make the adjustments, pursuant to rules  
15 adopted by the director of revenue, on the next return  
16 filed subsequent to the enactment of 2011 Iowa Acts,  
17 [Senate File 512](#). If the taxpayer elects not to file  
18 an amended return, these provisions are suspended with  
19 regard to the following adjustments otherwise available  
20 as a result of this Act.

21 a. The limitation based on income provisions  
22 and regulations of section 179(b)(3) of the Internal  
23 Revenue Code with regard to the section 179(b)  
24 adjustment.

25 b. The applicable dollar limit provisions of  
26 section 222(b)(2)(B) of the Internal Revenue Code with  
27 regard to the section 222 adjustment.

28 DIVISION \_\_\_

29 INCOME TAX

30 WITHHOLDING AGREEMENTS

31 Sec. \_\_\_. Section 403.19A, subsection 1, paragraphs  
32 c and f, Code 2011, are amended to read as follows:

33 c. "Employer" means a business creating or  
34 retaining targeted jobs in an urban renewal area of a  
35 pilot project city pursuant to a withholding agreement.

36 f. "Targeted job" means a job in a business which  
37 is or will be located in an urban renewal area of a  
38 pilot project city that pays a wage at least equal to  
39 the countywide average wage. "Targeted job" includes  
40 new or retained jobs from Iowa business expansions  
41 or retentions within the city limits of the pilot  
42 project city and those jobs resulting from established  
43 out-of-state businesses, as defined by the department  
44 of economic development, moving to or expanding in  
45 Iowa.

46 Sec. \_\_\_. Section 403.19A, subsection 3, paragraph  
47 c, subparagraph (1), Code 2011, is amended to read as  
48 follows:

49 (1) The pilot project city shall enter into a  
50 withholding agreement with each employer concerning



1 the targeted jobs withholding credit. The withholding  
2 agreement shall provide for the total amount of  
3 withholding tax credits awarded. An agreement shall  
4 not provide for an amount of withholding credits that  
5 exceeds the amount of the qualifying investment made in  
6 the project. An agreement shall not be entered into by  
7 a pilot project city with a business currently located  
8 in this state unless the business either creates or  
9 retains ten new jobs or makes a qualifying investment  
10 of at least five hundred thousand dollars within  
11 the urban renewal area. The withholding agreement  
12 may have a term of up to ten years. An employer  
13 shall not be obligated to enter into a withholding  
14 agreement. An agreement shall not be entered into with  
15 an employer not already located in a pilot project  
16 city when another Iowa community is competing for the  
17 same project and both the pilot project city and the  
18 other Iowa community are seeking assistance from the  
19 department.

20 Sec. \_\_\_\_\_. Section 403.19A, subsection 3, paragraph  
21 f, Code 2011, is amended to read as follows:

22 f. If the employer ceases to meet the requirements  
23 of the withholding agreement, the agreement shall be  
24 terminated and any withholding tax credits for the  
25 benefit of the employer shall cease. However, in  
26 regard to the number of ~~new~~ jobs that are to be created  
27 or retained, if the employer has met the number of  
28 ~~new~~ jobs to be created or retained pursuant to the  
29 withholding agreement and subsequently the number of  
30 ~~new~~ jobs falls below the required level, the employer  
31 shall not be considered as not meeting the ~~new~~ job  
32 requirement until eighteen months after the date of the  
33 decrease in the number of ~~new~~ jobs created or retained.

34 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT AND RETROACTIVE  
35 APPLICABILITY. This division of this Act, being  
36 deemed of immediate importance, takes effect upon  
37 enactment and applies retroactively to July 1, 2006,  
38 for agreements entered into on or after that date.

39 DIVISION \_\_\_\_  
40 INCOME TAX

41 DISASTER-RELATED PERSONAL CASUALTY LOSS DEDUCTIONS

42 Sec. \_\_\_\_\_. Section 422.9, Code 2011, is amended by  
43 adding the following new subsection:

44 NEW SUBSECTION. 9. A taxpayer is allowed to take  
45 the deduction for disaster-related casualty losses  
46 under section 165(h) of the Internal Revenue Code, as  
47 modified by the Heartland Disaster Relief Act of 2008,  
48 Pub. L. No. 110-343, in computing net income for state  
49 tax purposes.

50 Sec. \_\_\_\_\_. Notwithstanding any provision to the



1 contrary in section 422.25, subsection 3, a taxpayer  
2 who files an amended return in the time permitted by  
3 statute to claim a refund related to the allowance of  
4 the deduction enacted in this division of this Act is  
5 only entitled to a refund of the amount paid that is  
6 in excess of tax liability. The taxpayer shall not be  
7 entitled to interest on such excess.

8 Sec. \_\_\_\_ . EFFECTIVE DATE AND RETROACTIVE

9 APPLICABILITY. This division of this Act, being deemed  
10 of immediate importance, takes effect upon enactment  
11 and applies retroactively to January 1, 2008, for  
12 tax years beginning on or after that date and before  
13 January 1, 2009.>

14 2. By renumbering, redesignating, and correcting  
15 internal references as necessary.

COMMITTEE ON WAYS AND MEANS

SANDS of Louisa, Chairperson